

Council of the District of Columbia
COMMITTEE ON THE JUDICIARY & PUBLIC SAFETY
COMMITTEE REPORT
1350 Pennsylvania Avenue, N.W., Washington, DC 20004

To: Members of the Council of the District of Columbia

From: Councilmember Charles Allen *CA*
Chairperson, Committee on the Judiciary and Public Safety

Date: October 21, 2022

Subject: Report on B24-0113, the “Medical Cannabis Amendment Act of 2022”

The Committee on the Judiciary and Public Safety, to which Bill 24-0113, the “Medical Cannabis Amendment Act of 2022”, was referred, reports favorably thereon, and recommends approval by the Council of the District of Columbia.

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STATEMENT OF PURPOSE AND EFFECT

I. Purpose and Effect

Bill 24-0113, the “Medical Cannabis Amendment Act of 2022”, was introduced on February 26, 2021 by Chairman Phil Mendelson at the request of Mayor Muriel Bowser. The bill was referred sequentially to the Committee on the Judiciary and Public Safety, the Committee on Business and Economic Development, and the Committee of the Whole on March 2, 2021. The three Committees held a joint public hearing on the bill on November 19, 2021.

As introduced, B24-0113 proposed a number of changes to the District’s medical cannabis program, including increasing the number of dispensary licenses from eight to sixteen; allowing up to fourteen licensed cultivation centers and testing laboratories in the District; establishing a points system for veteran-owned, returning citizen-owned, and medical cannabis certified business enterprise cultivation center, dispensary, and testing laboratory applications; prohibiting ownership of cannabis facility licenses for individuals with certain convictions within the last three years; and creating three new endorsement categories for dispensaries. The Committee Print retains some of these provisions, but makes numerous changes and streamlines the entire medical cannabis statute, including allowing qualifying patients ages 21 and above to self-certify that they have a qualifying medical or dental condition, creating manufacturer licenses, expanding the ability of individuals with criminal records to fully participate in the program, establishing a robust social equity program that prioritizes economically disadvantaged residents and returning citizens, and providing appropriate civil penalties for illegal cannabis distribution and sales.

II. Committee Reasoning

a. The Need for Self-Certification

Under current law and Bill 24-0113 as introduced, a District resident must receive a recommendation from an authorized practitioner and register with the Alcoholic Beverage Regulation Administration (“ABRA”) to purchase, possess, and use medical cannabis. While this requirement may seem reasonable, it creates significant barriers for patients in need of relief.

First, the cost of a doctor’s visit may be prohibitive for many patients, particularly if they lack healthcare insurance or their healthcare plan has a high deductible. Diagnostic tools and procedures used to determine the presence of cancers, heart disease and other chronic conditions can run hundreds or thousands of dollars. Additionally, certain conditions—such as mental illnesses—carry significant societal stigma that makes clinical diagnosis and treatment extremely difficult.

Second, even if a prospective patient has the money and time to undergo the required assessment and receive a recommendation for medicinal cannabis, finding a registered practitioner can be difficult. At the end of Fiscal Year 2022, data from ABRA shows that there are 641 active

practitioners in the District.¹ While this may seem like a sizable population of practitioners, there are more than 11,000 licensed physicians in the District alone,² meaning less than 5% of all licensed physicians in the District are registered. Additionally, many physicians know very little about the potential medicinal qualities of cannabis or cannabis rules and regulations. This is not unique to any particular jurisdiction and leaves many patients unable to access medical cannabis.

Finally, approximately 1 in 13 people in America have an undiagnosed disease.³ These include rare disorders that are difficult to recognize, atypical symptoms of more common disorders, medical conditions that have yet to be described, and symptoms that cannot be explained medically. In the District, there may be approximately 50,000 people with undiagnosed diseases.⁴ Given the nature of their conditions, it would be extremely difficult for many of these residents to receive a recommendation to use medical cannabis from an authorized practitioner.

These barriers and obstacles help explain why the medical cannabis program in the District remains underutilized. According to data from September 2022, there are currently just over 22,000 patients in the District registered with ABRA.⁵ Of these patients, fewer than 6,000 District residents purchased any medicinal cannabis.⁶ With these facts in mind, the Committee Print allows qualifying patients ages 21 and above to self-certify that they have a qualifying medical or dental condition on a form provided by ABRA.

b. Self-Certification Is Permissible

Due to language included in Congressional appropriations bills since 2015, the District is prohibited from obligating or expending any available funds to legalize or reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act. The text of the provision in question reads as follows:

No funds available for obligation or expenditure by the District of Columbia government under any authority may be used to enact any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act (21 U.S.C. 801 *et seq.*) or any tetrahydrocannabinols derivative for recreational purposes.⁷

As written, the Committee believes the Print does not run afoul of this language for two reasons. First, the Print does not reduce any criminal penalties associated with the possession, use,

¹ *Medical Cannabis Program Report, September 2022*, ABRA, https://abra.dc.gov/sites/default/files/dc/sites/abra/page_content/attachments/MCP%20Metrics%20September%2022.pdf.

² Young, A., Chaudhry, H. J., Pei, X., Arnhart, K., Dugan, M., & Steingard, S. A. (2019). FSMB census of licensed physicians in the United States, 2018. *Journal of Medical Regulation*, 105 (2), 7-23.

³ Angelis, A., Tordrup, D., & Kanavos, P. (2015). Socio-economic burden of rare diseases: a systematic review of cost of illness evidence. *Health Policy*, 119(7), 964-979.

⁴ This assumes that approximately 7.6% of District residents have an undiagnosed disease.

⁵ *Supra* note 1.

⁶ *Id.*

⁷ Pub. L. No. 116-6, § 809.

or distribution of cannabis in the District. The District's Controlled Substances Act (D.C. Official Code § 48-901.01, *et seq.*) is unaltered by the Print. Second, the plain language of the bill does not legalize recreational possession, distribution, or use of cannabis. Rather it allows qualifying *medical* patients to self-certify that they meet the criteria under the law.

The District established a medical cannabis program—the subject of this bill—in 2010.⁸ Under recreational cannabis laws, residents are not required to provide any documentation regarding a qualifying medical condition. In fact, in all recreational cannabis laws in the United States, residents only need to prove they are of age to purchase and use cannabis legally. In contrast to these laws, and as noted earlier in this report, the Committee Print will require individuals of qualifying ages 21 and above who want to purchase and use medical cannabis to self-certify, under threat of potential penalties, that they have a qualifying medical or dental condition. Adult residents would have to fill out and submit a new form every two years. Anyone who does not have a valid form or registration card would be prohibited from purchasing or using medical cannabis. Given these facts, the Committee believes the Print does not intersect with the congressional prohibition on legalizing cannabis.

c. Cannabis Licenses and Racial and Economic Equity

As introduced, Bill 24-0113 would increase the number of dispensary licenses to sixteen and allow up to fourteen cultivation centers and testing laboratories. With the changes the Print makes to requirements for qualifying patients, the number of patients in the medical cannabis program—currently at roughly 22,000—will likely increase. An increase in the number of patients will, at some point, necessitate a greater number of cultivation centers and dispensaries to satisfy patient demand. As such, the Committee Print removes the cap on the number of cultivation centers and dispensaries in the Code altogether, giving ABRA the flexibility to license the number of facilities necessary to meet potential demand. To ensure that ABRA does not license too many of these entities, however, the Print includes language that would require ABRA to conduct and publish an analysis showing the need for additional licenses beyond those currently in existence.

Removing the cap on licenses and restrictions on the number of cultivation centers and dispensaries in any election ward will provide more opportunities for entry into the medical cannabis market. It is not enough, however, to simply remove license caps and restrictions. When establishing the medical cannabis program in 2010, the District failed to be intentional in prioritizing racial and economic equity. Black District residents have borne the brunt of the war on drugs, making up roughly 90% of all cannabis arrests since 2001⁹ despite using cannabis at similar rates as white residents. The negative consequences of these arrests, and any subsequent convictions, are manifold. Arrest and incarceration are associated with poor physical and mental health outcomes, housing instability, declining employment prospects and decreases in lifetime earnings, reductions in civic engagement, and family separations.

⁸ Legalization of Marijuana for Medical Treatment Initiative Amendment Act of 2010, D.C. Law 18-210 (57 DCR 4798), effective July 27, 2010.

⁹ See, Paul Schwartzman and John D. Harden, “D.C. legalized marijuana, but one thing didn’t change: Almost everyone arrested on pot charges is Black,” WASH. POST (Sept. 15, 2020).

To rectify this, the Print makes several notable changes to the introduced version that will increase opportunities for business ownership and entrepreneurship for low-income and formerly incarcerated Black District residents. First, it establishes a new license category for manufacturers, which will authorize licensees to produce medical cannabis products such as concentrates and edibles. Half of these licenses must be set aside for medical cannabis certified business enterprises and social equity applicants that meet the following ownership requirements:

1. For a medical cannabis certified business enterprise, one or more owners who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or bias because of their identity as a member of a group without regard to their individual qualities, who are District residents, and must own at least 60% of the licensed business; and
2. For social equity applicants, one or more owners who are returning citizens—meaning District residents who were arrested, incarcerated, or convicted for a cannabis-related offense—who are District residents and must own at least 60% of the licensed business.

Second, the Print requires that half of all new licenses for cultivation centers or dispensaries beyond those currently in existence must be set aside for medical cannabis certified business enterprises and returning citizens. Third, the Print creates a scoring system that must be used by ABRA for licenses not subject to set-asides that grants 50 points, or up to 20% of available points, to applicants who meet the requirements for medical cannabis certified business enterprises and social equity applicants. Fourth, it requires ABRA to waive 75% of any non-refundable application fees for medical cannabis certified business enterprises and social equity applicants. Finally, the Print amends the allowable uses for the Medical Cannabis Administration Fund to include the provision of loans, grants, and equity to medical cannabis certified business enterprises and social equity applicants to help with start-up and operating costs and provide technical assistance. These changes will provide much greater opportunity for low-income Black residents and returning citizen than the bill as introduced.

d. New Endorsement Categories

The Print maintains the three new endorsement categories for licensed medical cannabis dispensaries that are included in the introduced version: a safe use treatment facility endorsement, an education tasting endorsement, and a dispensary delivery endorsement.

The safe-use treatment facility endorsement will permit dispensaries to establish a designated consumption area for patients to use medicinal cannabis. In the District, a majority of residents are tenants renting units in apartment buildings.¹⁰ Since cannabis is federally illegal, housing providers are not required to provide reasonable accommodations to facilitate medical cannabis use for patients at their properties. This leaves many patients without the space to use medical cannabis even though it is legal in the District. A designated consumption area at a medical cannabis dispensary would provide this space.

¹⁰ Data from the Census Bureau's 2019 American Community Survey (5-Year Estimate) estimates that 58% of all housing units in the District are renter-occupied.

To ensure that safe use treatment facilities do not have negative impacts on the employees of dispensary or the surrounding area, the Print includes language requiring dispensaries to establish a smoke-free area for employees to monitor the consumption area, and to use a ventilation system that includes a pollution control unit or odor control unit that eliminates all detectable odor, smoke, and by-product of combustion. It would also require applicants for a safe use treatment facility endorsement to submit specific information on air change and filter types used by the facility.

The education tasting endorsement will permit dispensaries to offer cooking and how-to classes, demonstrations, and tastings for educational purposes to qualifying patients and caregivers. Such educational classes and demonstrations could have myriad benefits for qualifying patients. For instance, educational demonstrations and classes could also provide patients with information on the least harmful ways to use cannabis or how to mitigate unwanted side effects of cannabis.

The dispensary delivery endorsement will permit a dispensary to deliver medical cannabis and medical cannabis products to qualifying patients. Deliveries are subject to certain requirements, and deliveries to any address on District government property, federal property, or public or private school grounds will be prohibited. Much of the language for this endorsement category was included in the bill as introduced. The only substantive changes made by the Committee Print include allowing ABRA to determine the number of deliveries allowed to qualifying patient or caregiver in a single day, requiring the use of a GPS device or application to track deliveries, and prohibiting the display of any words or images on the vehicle that would indicate the vehicle is being used to deliver cannabis.

e. Civil Penalties for Illegal Cannabis Distribution and Sales

On February 26, 2015, Initiative 71 (I-71) became law in the District. While I-71 only authorizes the possession or transfer *without remuneration* of two ounces or less of cannabis, illegal so-called “I-71 compliant” store fronts and delivery services quickly emerged. These illegal store fronts and delivery services offer costumers products such as a t-shirt, a piece of art, or cookies with a “gift” of cannabis. These store fronts and delivery services are not regulated, meaning they sell untraced, untested product to consumers without standard security protocols. Most of these illegal storefronts do not pay sales tax on their products, or appropriately file income taxes. These stores also do not have zoning approval to locate at their current sites, and because they are illegally operated, have not been subject to comments from Advisory Neighborhood Commissions.

In the past, the Metropolitan Police Department has enforced against several of these store fronts and charged owners, but the United States Attorney’s Office for the District of Columbia generally declines to prosecute these cases. In many cases, the owners simply relocate to a new location and resume operations.¹¹ Given the ineffectiveness of criminal penalties, the Print would provide a mechanism for reasonable civil enforcement – commensurate with enforcement in

¹¹ Michelle Goldchain, “Police Raids Persist Amid D.C.’s Gray Market,” The Outlaw Report, February 25, 2020. Available at <https://outlawreport.com/police-raids-cannabis-dc/>.

similar contexts like businesses proffering illegal goods and synthetic drugs - against these illegal store fronts and delivery services. The Print would:

1. Enable the Mayor to seal the premises, issue fines of up to \$20,000, and revoke basic business licenses of any operators; and
2. Enable the Mayor to levy civil fines of up to \$10,000 against commercial property owners who continue to allow illegal activity to occur on their premises.

Individuals subject to potential penalties can submit a remediation plan to the District that outlines how they will keep illegal activity from continuing to occur on the premises. Additionally, operators could request an administrative hearing after being notified that the premises has been sealed and penalties have been assessed. If they continue to engage in illegal activity, penalties increase.

f. Miscellaneous Provisions

In B24-0113 as introduced, no one with a felony conviction for a crime of violence, gun offense, or a conviction for tax evasion, fraud, or credit card fraud within the last three years would qualify for a license. While this a significant improvement over current statutory language that disqualifies anyone with a felony conviction (except for a felony conviction solely for possession with intent to distribute prior to July 17, 2014), it would still disqualify certain returning citizens in the District based on an arbitrary time-frame and provide no mechanism for these returning citizens to demonstrate that they are rehabilitated. As such, the Committee Print adopts language from legislation authored by Committee Chairperson Allen, the Removing Barriers to Occupational Licensing for Returning Citizens Act of 2020 (D.C. Law 23-305; 68 DCR 3419). This language requires ABRA to adopt an individualized approach to assessing criminal records that must consider:

- Whether the offense is directly related to the license sought or the specific duties and responsibilities of employment; and
- Evidence of rehabilitation, including compliance with the term and conditions of probation, supervised release, or parole, the length of time that has elapsed since the offense, employment history, and any mitigating circumstances.

Additionally, as a part of the criminal background check process, ABRA would not be able to inquire into or consider convictions that have been sealed, expunged, vacated, or pardoned, juvenile adjudications, or non-conviction information such participation in a diversion program or an arrest that did not result in a conviction.

g. Conclusion

Rather than make technical and minor changes to the bill as introduced, the Committee Print takes a more holistic approach by making it easier for patients to access medical cannabis, removing unnecessary caps and restrictions on the number of licenses, and prioritizing equity for new licenses, among many other amendments to the statute. In the Committee's view, these

changes are necessary to provide relief to patients, current business owners, and people from marginalized communities who have been previously excluded from the medical cannabis market.

LEGISLATIVE HISTORY

February 26, 2021	B24-0113 is introduced by Chairman Mendelson at the request of the Mayor.
March 2, 2021	B24-0113 is sequentially referred to the Committee on the Judiciary and Public Safety, the Committee on Business and Economic Development, and the Committee of the Whole.
March 5, 2021	Notice of Intent to Act on B24-0113 is published in the <i>District of Columbia Register</i> .
October 1, 2021	Notice of Public Hearing on B24-0113 is published in the <i>District of Columbia Register</i> .
November 19, 2021	Joint Public Hearing on B24-0113 is held by the Committee of the Whole, the Committee on Business and Economic Development, and the Committee on the Judiciary and Public Safety.
October 21, 2022	Consideration and vote on B24-0113 by the Committee on the Judiciary and Public Safety.

POSITION OF THE EXECUTIVE

The Committees did not receive testimony or comments from the Executive.

ADVISORY NEIGHBORHOOD COMMISSION COMMENTS

The Committee did not receive testimony or comments from Advisory Neighborhood Commissions.

WITNESS LIST AND HEARING RECORD

On Friday, November 19, 2021, the Committee on the Judiciary and Public Safety, Committee on Business and Economic Development, and Committee of the Whole held a joint public hearing on B24-0113. A video recording of the hearing can be viewed at <https://entertainment.dc.gov/page/2021-council-district-columbia-hearings>. The following witnesses testified at the hearing or submitted written testimony to the Committees:

Public Witnesses

Rabbi Jeffrey Kahn – Takoma Wellness Center, Inc.

Rabbi Kahn testified in support of the bill. He stated that the proposed legislation aims to maintain and strengthen the District's medical cannabis program. He also said that the District has one of the most diverse cannabis industries in the nation, and he is encouraged by the bill's provisions that would keep the medical cannabis industry as local and as diverse as possible.

Grace Hyde – Chief Operation Officer, Phyto Cultivation, LLC

Ms. Hyde testified in support of the bill. She stated that the medical cannabis market cannot compete with the illegal shops across the city. She testified that as a result of a large number of illegal shops, medical cannabis patients are buying products at the illegal shops with no assurances that the products they buy are safe. She described how these products are not produced in the District and how they are primarily produced elsewhere and end up being transported to the District through criminal transport networks. She stated that medical cannabis patients use medical cannabis to maintain their quality of life and to keep illnesses and chronic conditions in check.

Edward Weidenfeld – Co-Founder/Chair, Phyto Cultivation, LLC

Mr. Weidenfeld's testimony mirrored that of Ms. Hyde.

Andras Kirschner – Chief Executive Officer, Phyto Cultivation, LLC

Mr. Kirschner testified in support of the bill. He testified that the District's legal medical cannabis licensees are "getting crushed" by the District's illegal market and are in dire jeopardy. He said that a comprehensive approach is needed to save the medical cannabis market, reinforce it to meet the challenge of a recreational market, and prepare for transition to a regulated adult-use framework. He proposed three amendments to the bill. He proposed repealing ABRA registration requirements for patients and caregivers, enacting civil enforcement measures against the illegal market, and permitting legal medical licensees to deduct ordinary and necessary business expenses on District tax filings.

David Julyan – Julyan & Julyan

Mr. Julyan addressed the District's illegal market and how Initiative 71 has been used to create it. He testified that a pathway for the illegal market should be created.

Nikolas Schiller – Co-Founder, D.C. Marijuana Justice

Mr. Schiller testified that the medical cannabis program should be reformulated. He stated that the medical cannabis program is currently failing because it was designed to be extremely restrictive. He argued that there should be no caps on the numbers of cultivation centers or dispensaries. He advocated that the medical cannabis program become an over-the-counter program.

Kris Furnish – Co-Founder, Maryland Marijuana Justice

Ms. Furnish testified with respect to the testing of cannabis products. She stated that since cannabis was legalized for medical use, not a single accredited facility is in operation to test cannabis for the presence of heavy metals and dangerous chemicals and pesticides. She urged the Council to amend the bill to create incentives for cultivators to grow clean and environmentally sustainable cannabis.

Rachel Ramone Donlan – Consumer Director, D.C. Cannabis Business Association

Ms. Donlan testified regarding the need to include more women in the industry. She argued that there should be no tax on medical cannabis.

Adam Eiding – Co-Founder, D.C. Marijuana Justice

Mr. Eiding testified regarding rights to grow cannabis at home. He stated that the ballot initiative allowed medical cannabis program cultivators to not have a monopoly over cultivation in the District. He argued that the bill should add more home grow rights.

Alan Amsterdam – Representative, Capitol Hemp/Amsterdam Abracy

Mr. Amsterdam testified concerning the regulation of medical cannabis licenses and taxation on medical products. He advocated for increasing the number of licenses for cultivation and dispensaries, which will allow the medical cannabis industry to flourish. He argued that medical cannabis should not be taxed, bringing it in line with how tax law treats medical products generally.

Lisa Scott – Representative, D.C. Cannabis Business Association

Ms. Scott provided testimony on the need to revise the medical cannabis program. She stated that the program needs to allow for offsite production of edible products or allow for independent contractors to provide edibles for medical dispensaries.

Doni Crawford – Senior Policy Analyst, D.C. Fiscal Policy Institute

Ms. Crawford submitted written testimony proposing two amendments to the bill. The first amendment would include entrepreneurship protections for all returning citizens and people with certain felony convictions. The second amendment would make sure that dispensaries and cultivation centers are distributed evenly across all wards.

Michael Johnson – Policy Analyst, D.C. Fiscal Policy Institute

Mr. Johnson submitted written testimony proposing an amendment to the bill. He advocated for the bill including a provision that would remove the current exclusions preventing those convicted of certain felony offenses within the previous three years from gaining ownership

within dispensaries, cultivation centers, and testing facilities. He argued that returning citizens with cannabis-related offenses may offer valuable insight in the transition to a legal cannabis market, and these barriers should be removed to allow for ownership and wealth-creation.

Lauren Berlekamp – Public Witness

Ms. Berlekamp testified regarding expanding testing for medical and home grow and over-the-counter medical cannabis. She stated that the medical cannabis program needs to be reformulated because it was designed to be extremely restrictive. She argued against a cap on the number of cultivation centers or dispensaries and that patients should be able to self-certify. She viewed paying a doctor to give a recommendation, paying the District government to receive a card, and paying taxes on medicine as impediments to safe access to quality cannabis products. She testified that the District government would take in more tax revenue, employ more adults, and provide more cannabis to adults when the medical cannabis program becomes an over-the-counter program.

Jennifer Dayle Fink – Public Witness

Ms. Fink submitted written testimony regarding her experience as a registered cannabis oil patient. She advocated for the law to allow growing and expand the number of licenses to all people, not just those with financial resources.

Corey Barnette – Public Witness

Mr. Barnette testified in support of the bill. He noted the bill addresses a number of items in need of attention. However, he believes there remains a sizeable barrier to the medical cannabis program: the administrative hurdle to entry. He stated that patients aged 21 or older should be able to attest to their medical cannabis need. He believes this would channel patients away from the illicit market. He also urged the Council to curtail the illicit market.

Jamila Hogan – Public Witness

Ms. Hogan testified in support of the bill. She stated that she is the first black woman on the East Coast to manage a dispensary, and her work has been focused on patient wellness and community education on mental wellness. She noted that the District has failed to provide safe access and testing for medical marijuana, which leaves patients “in the dark” about the products they purchase. Currently, there are no standards for testing, and she has personally witnessed violations by legal operators.

Caroline Phillips – Founder & Producer, National Cannabis Festival

Ms. Phillips testified in support of the bill. She believes that the District needs to eliminate the difficult process to get a medical cannabis card. She suggested that the District make medical cannabis cards free, because people are trying to access medicine. If we lower fees, then more people will have access to the medical program.

Sebastian Medina-Tayac – Public Witness

Mr. Medina-Tayac testified in support of the bill. He noted that many people turned to cannabis as medicine during the pandemic. Cannabis is a growing segment of revenue in the wellness industry.

Linda Greene – Owner/CEO, Anacostia Organics

Ms. Greene testified in support of the bill as a legally licensed dispensary owner whose business has been open for three years.

Yvette Alexander – CEO, Y. Alexander & Associates

Ms. Alexander testified in support of the bill. She stated that her clients are the only legally operated cannabis dispensaries in the District, and they are some of the most diverse business owners. She noted that the medical program in the District has about 6,000 patients, a number that has declined during the pandemic. She supports the legislation with some recommendations. She suggested repealing the ABRA registration requirement for patients and medication professionals. She also noted that enforcement is a priority because illegal businesses have shut down legally licensed businesses.

Dawn Lee-Carty – Representative, Speak Life

Ms. Lee-Carty testified in support of the bill. She noted that chronically ill patients and patients with conditions like epilepsy, as well as veterans, are the reason we are having the current discussion. She further stated that from 2014 to today, there have been no protections for patients, such as lab testing of products. She stated that her daughter is epileptic, and she has been directly affected by the lack of testing when a product made her sick. She urged the Council to incorporate protections for patients for clean and safe consumption.

Zoey Lee-Carty – Representative, Speak Life

Ms. Lee-Carty testified in support of the bill and echoed her mother's testimony about protecting patients with mechanisms to ensure clean and safe medicine.

Bobby Mcleod – Representative, Home Grower Cannabis Group

Mr. Mcleod testified in support of the legislation. He believes the bill could go further to increase minority opportunities in the cannabis industry. He suggested that new license holders are given the knowledge and training needed to run their businesses.

Tiffany Barnard Davidson – Public Witness

Ms. Davidson testified in opposition to the bill. She stated that in 2018 her son struggled with an addiction to marijuana, and she saw firsthand the deleterious consequences of the drug.

Kymone Freeman – Founder, We Act Radio

Mr. Freeman testified in support of the bill as a good start to applying a racial equity lens to public policy.

Government Witnesses

Fred P. Moosally – Director, Alcoholic Beverage Regulation Administration

Director Moosally testified in support of the bill, as introduced.

IMPACT ON EXISTING LAW

B24-0113 amends the Legalization of Marijuana for Medical Treatment Initiative of 1999 to rename the phrase “medical marijuana” to “medical cannabis” and the word “marijuana” to “cannabis”, to remove the requirement of a bona fide relationship between a qualifying patient and an authorized practitioner, to provide definitions for “economically-disadvantaged individuals”, “manufacturers”, “medical cannabis certified business enterprises”, “non-resident cardholders”, “pesticides”, “returning citizens”, “social equity applicants”, “straw ownership”, “transitional licenses”, and “unregistered establishments”, to allow qualifying patients ages 21 and older to self-certify that they have a qualifying medical or dental condition or are undergoing a qualifying medical or dental treatment, to increase the amount of dried cannabis that qualifying patients and caregivers may possess, to allow for the issuance of 2-year qualifying patient and caregiver registration cards, to require testing laboratories to test medical cannabis and medical cannabis products for mycotoxins, pesticides, and heavy metals, to establish a manufacturer’s license, to remove statutorily-prescribed limits on the number of facilities that may locate in certain areas, to create criteria, application processes, preference points, and licensure prioritizations for social equity applicants and medical cannabis certified business enterprises, to remove the plant count limit, to prescribe the criteria for evaluating criminal histories, to create transitional licenses for unregistered establishments, to create safe use treatment facility, education tasting, and dispensary delivery endorsements, to amend the authorized uses of the Medical Cannabis Administration Fund to allow ABRA to use monies in the fund for equity, grants, and loans to social equity applicants and medical cannabis certified business enterprises, and to establish those equity, grant, and loan programs. The bill further amends D.C. Official Code § 47–2844 to create a civil enforcement mechanism for businesses and commercial property owners illegally distributing or selling cannabis, and amends Title 22-C of the District of Columbia Municipal Regulations to allow qualifying patients to establish residency in the District with one document, including a telephone bill or bank statement containing a District address.

FISCAL IMPACT

B24-0113 is sequentially referred to the Committee on the Judiciary and Public Safety, followed by the Committee on Business and Economic Development and the Committee of the Whole, respectively, and the latter will therefore obtain a fiscal impact statement from the District’s Chief Financial Officer.

RACIAL EQUITY IMPACT

B24-0113 is sequentially referred to the Committee on the Judiciary and Public Safety, followed by the Committee on Business and Economic Development and the Committee of the Whole, respectively, and the latter will therefore obtain a Racial Equity Impact Assessment from the Council Office of Racial Equity.

SECTION-BY-SECTION ANALYSIS

- Section 1** States the short title of the legislation.
- Section 2** Amends the Legalization of Marijuana for Medical Treatment Initiative of 1999 to rename the phrase “medical marijuana” to “medical cannabis” and the word “marijuana” to “cannabis”, to remove the requirement of a bona fide relationship between a qualifying patient and an authorized practitioner, to provide definitions for “economically-disadvantaged individuals”, “manufacturers”, “medical cannabis certified business enterprises”, “non-resident cardholders”, “pesticides”, “returning citizens”, “social equity applicants”, “straw ownership”, “transitional licenses”, and “unregistered establishments”, to allow qualifying patients ages 21 and older to self-certify that they have a qualifying medical or dental condition or are undergoing a qualifying medical or dental treatment, to increase the amount of dried cannabis that qualifying patients and caregivers may possess, to allow for the issuance of 2-year qualifying patient and caregiver registration cards, to require testing laboratories to test medical cannabis and medical cannabis products for mycotoxins, pesticides, and heavy metals, to establish a manufacturer’s license, to remove statutorily-prescribed limits on the number of facilities that may locate in certain areas, to create criteria, application processes, preference points, and licensure prioritizations for social equity applicants and medical cannabis certified business enterprises, to remove the plant count limit, to prescribe the criteria for evaluating criminal histories, to create transitional licenses for unregistered establishments, to create safe use treatment facility, education tasting, and dispensary delivery endorsements, to amend the authorized uses of the Medical Cannabis Administration Fund to allow ABRA to use monies in the fund for equity, grants, and loans to social equity applicants and medical cannabis certified business enterprises, and to establish those equity, grant, and loan programs.
- Section 3** Amends D.C. Official Code § 47–2844 to create a civil enforcement mechanism for businesses illegally distributing or selling cannabis. and amends Title 22-C of the District of Columbia Municipal Regulations to allow qualifying patients to establish residency in the District with one document, including a telephone bill or bank statement containing a District address.

- Section 4 Creates a civil enforcement mechanism for commercial property owners illegally distributing or selling cannabis.
- Section 5 Amends Title 22-C of the District of Columbia Municipal Regulations to allow qualifying patients to establish residency in the District with one document, including a telephone bill or bank statement containing a District address.
- Section 6 Contains the applicability clause.
- Section 7 Contains the fiscal impact statement.
- Section 8 Contains the effective date.

COMMITTEE ACTION

On October 21, 2022, the Committee on the Judiciary and Public Safety held an Additional Meeting to consider B24-0113, the “Medical Cannabis Amendment Act of 2022”. The meeting was called to order at 2:10 p.m. Chairperson Charles Allen recognized a quorum consisting of himself and Councilmembers Anita Bonds, Mary M. Cheh, and Brooke Pinto. Chairperson Allen, without objection, moved the Committee Report and Print for B24-0113 en bloc, with leave for staff to make technical, conforming, and editorial changes.

Councilmember Pinto commented that she supported the bill, noting that there should be broad access to cannabis in the District, despite sustained interference by Congress. District residents want a recreationally regulated marketplace, in addition to a medical system. She expressed her enthusiastic support for the bill and its efforts to make medical cannabis more accessible and inclusive to those who need it. Councilmember Bonds noted the number of broad changes in the bill, as proposed, and those included in the Committee Print. She stated that she hoped the bill would remedy the inequities in the unregulated “gifting” economy. She asked Chairperson Allen whether the bill included training for new license holders, to which Chairperson Allen highlighted ABRA’s fund for grants, equity, and loans. She also expressed her concern around the number of licenses needed in the community. She stated her support for public safety and opposition to unregulated businesses that sell goods potentially unsafe for public consumption.

The Committee then voted 4-0 to approve the Committee Report and Print, with the Members voting as follows:

YES: Chairperson Allen and Councilmembers Bonds, Cheh, and Pinto

NO: None

PRESENT: None

ABSENT: Councilmember Vincent C. Gray

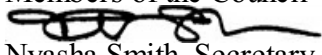
LIST OF ATTACHMENTS

- (A) B24-0113, as introduced
- (B) Notice of Public Hearing, as published in the *District of Columbia Register*
- (C) Agenda and Witness List
- (D) Witness Testimony
- (E) Legal Sufficiency Determination
- (F) Comparative Committee Print
- (G) Committee Print

ATTACHMENT A

COUNCIL OF THE DISTRICT OF COLUMBIA
1350 Pennsylvania Avenue, N.W.
Washington D.C. 20004

Memorandum

To : Members of the Council
From :  Nyasha Smith, Secretary to the Council
Date : Monday, March 1, 2021
Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Friday, February 26, 2021. Copies are available in Room 10, the Legislative Services Division.

TITLE: "Medical Cannabis Amendment Act of 2021", B24-0113

INTRODUCED BY: Chairman Mendelson, at the request of Mayor

The Chairman is referring this legislation sequentially to the Committee on Judiciary and Public Safety, the Committee on Business and Economic Development, and the Committee of the Whole.

Attachment

cc: General Counsel
Budget Director
Legislative Services



MURIEL BOWSER
MAYOR

February 26, 2021

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, D.C. 20004

Dear Chairman Mendelson:

Today, I am transmitting to the Council of the District of Columbia (Council) for its consideration and approval the "Medical Cannabis Amendment Act of 2021." The bill seeks to amend the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective February 25, 2010 (D.C. Law 13-315; D.C. Official Code §§ 7-1671.01, et seq.), as amended to ensure that the District's medical cannabis program is operating optimally for the benefit of the District's qualifying patients. A few of the amendments include:

1. Eliminating the requirement that qualifying patients register with a dispensary; thus, allowing qualifying patients to obtain their medical cannabis and medical cannabis products from any dispensary registered in the District.
2. Allowing dispensaries to operate safe use treatment facilities as well as offer tastings and demonstrations and/or classes with the proper endorsements;
3. Allowing dispensaries to deliver medical cannabis and medical cannabis products directly to qualifying patients and caregivers in the District as well as offer curbside pickup;
4. Allowing all returning citizens to work at a medical cannabis business;
5. Limiting the prohibition preventing persons with felony convictions from being officers, owners, or agents of a dispensary, cultivation center, and testing facilities to crimes of violence, a gun offense, tax evasion, fraud and credit card fraud occurring within the previous three years;
6. Eliminating the count on the number of plants that a cultivation center can grow;
7. Increasing the number of permitted dispensaries from eight to 16, and increasing the number of permitted dispensaries in each ward to two; and
8. Eliminating testing laboratory facilities when determining the cap in an election ward for cultivation centers.

The bill also further expounds upon the Alcoholic Beverage Control Board's responsibilities and authority to enforce the District's medical cannabis program.

For these reasons discussed above, I urge the Council to take prompt and favorable action on the enclosed proposed bill.

Sincerely,

A handwritten signature in dark ink, appearing to read "Muriel Bowser", written over a horizontal line.

Muriel Bowser



Chairman Phil Mendelson
at the request of the Mayor

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Legalization of Marijuana for Medical Treatment Initiative of 1999 to rename the term “medical marijuana” to “medical cannabis” and the word “marijuana” to “cannabis”; to authorize the Alcoholic Beverage Control Board to review security plans; to allow qualifying patients and their caregivers to purchase medical cannabis from any dispensary located in the District; to prohibit a cultivation center that owns a dispensary from charging the dispensary it has an ownership interest in a lower price than it charges other dispensaries; to increase the number of permitted dispensaries from 8 to 16; to allow 2 dispensaries in each ward; to allow testing laboratories to be located in any ward; to award preference points to returning citizens or District residents arrested or convicted for a marijuana offense or to veteran-owned business enterprises applying for a medical cannabis cultivation center, dispensary, or testing laboratory registration; to establish that medical cannabis registrations for cultivation centers, dispensaries, and testing laboratories are valid for 3 years with some exceptions; to authorize the Alcoholic Beverage Control Board to charge a late fee for each business day that a cultivation, dispensary, or testing laboratory registration has not been renewed by the conclusion of the renewal period; to eliminate the cultivation center plant count limit on a permanent basis; to remove the prohibition preventing individuals with a felony conviction for possession with intent to distribute marijuana from being a director, owner, officer, agent or employee of a cultivation center, dispensary or testing laboratory; to limit and reduce the prohibition timeframe for other felony convictions for directors, owners, officers, or agents of a dispensary, cultivation center, or testing laboratory to crimes of violence, a gun offense, tax evasion, fraud, or credit card fraud that have occurred within the last 3 years to apply for licensure; to remove the prohibition preventing individuals with a felony conviction from working at a dispensary, cultivation center, or testing laboratory; to create and allow dispensaries to obtain a safe use treatment facility endorsement to allow medical cannabis to be administered on-site to qualifying patients; to create and allow dispensaries to obtain an education tasting endorsement to offer cooking and how to classes and demonstrations and tastings for educational purposes to qualifying patients and caregivers on-site; to allow dispensaries to obtain a delivery endorsement that will allow them to deliver medical cannabis and offer curbside pickup to qualifying patients and caregivers; to clarify that the Alcoholic Beverage Control Board may issue and adjudicate fines to registered cultivation centers, dispensaries and testing

laboratories; and to require the Board to submit a proposed schedule of civil penalties to the Council within 120 days.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,
That this act may be cited as the “Medical Cannabis Amendment Act of 2021”.

Sec. 2. The Legalization of Marijuana for Medical Treatment Initiative of 1999,
effective February 25, 2010 (D.C. Law 13-315; D.C. Official Code § 7-1671.01 et seq.),
is amended as follows:

(a) The phrase “medical marijuana” is replaced with the phrase “medical cannabis” and the phrase “marijuana” is replaced with the word “cannabis” where it appears.

(b) The table of contents is amended to add the following sections:

“Section 7a. Safe use treatment facility endorsement”

“Section 7b. Education tasting endorsement”

“Section 7c. Dispensary delivery endorsement.

(c) Section 6 (D.C. Official Code § 7-1671.05) is amended as follows:

(1) Paragraph (3) is amended by striking the phrase “that expire annually” where it appears.

(2) Paragraph (11)(c) is repealed.

(3) Paragraph (12) is amended as follows:

(A) Subparagraph (A) is amended by striking the phrase “District and federal law relating to marijuana” and inserting the phrase “District and federal law relating to cannabis and rules issued in accordance with section 14”.

(B) Subparagraph (D) is amended by striking the phrase “that has been assessed by the Metropolitan Police Department”.

1 (d)Section 7 (D.C. Official Code § 7-1671.06) is amended as follows:

2 (1) Subsection (c) is amended to read as follows:

3 “(c) A dispensary may dispense and deliver medical cannabis and distribute
4 paraphernalia to any qualifying patient or the qualifying patient’s caregiver in the District
5 of Columbia, and a qualifying patient or the qualifying patient’s caregiver shall only
6 obtain medical cannabis and paraphernalia from a registered dispensary.”.

7 (2) A new subsection (c)(1) is added to read as follows:

8 “(c)(1) A cultivation center that also owns a dispensary shall be prohibited
9 from charging the dispensary in which it has an ownership interest a lower price for
10 medical cannabis or medical cannabis products than it charges other dispensaries.”

11 (3) Subsection (d) is amended as follows:

12 (A) Paragraph (2) is amended as follows:

13 (i) Subparagraph (A) is amended by striking the phrase “may increase
14 the number to as many as 8” and inserting the phrase “may increase the number to as
15 many as 16” in its place.

16 (ii) Subparagraph (C)(i) is amended by striking the phrase “no more than
17 one dispensary” with the phrase “no more than 2 dispensaries” wherever it appears.

18 (iii) Subparagraph (C)(ii) is deleted.

19 (B) Paragraph (3)(A) is amended to read as follows:

20 “(3)(A) The number of cultivation centers and testing laboratories that may be
21 registered to operate in the District shall be determined by the Mayor by rules issued in
22 accordance with section 14; provided, that the total number of cultivation centers
23 registered to operate within an election ward established by the Council in section 4 of

1 the Redistricting Procedure Act of 1981, effective March 16, 1982 (D.C. Law 4-87; D.C.
2 Official Code § 1-1041.03), shall not exceed 6. There shall not be a limit on the number
3 of testing laboratories operating within an election ward established by the Council in
4 section 4 of the Redistricting Procedure Act of 1981, effective March 16, 1982 (D.C. Law
5 4-87; D.C. Official Code § 1-1041.03).”

6 (C) Paragraph (5) is amended as follows:

7 (i) Subparagraph (A) is amended to read as follows:

8 “(A)An application for registration of a dispensary, cultivation center, or
9 testing laboratory submitted by:

10 “(i) A District resident who is a veteran-owned business enterprise as
11 defined in D.C. Official Code § 2-218.38 shall be awarded preference points equal to 10
12 points or 4% of the available points, whichever is more;

13 “(ii) A returning citizen or a District resident who has been arrested or
14 convicted for a cannabis offense shall be awarded preference points equal to 50 points or
15 20% of the available points, whichever is more;

16 “(iii) A medical cannabis certified business enterprise, or applicant eligible
17 to be a medical cannabis certified business enterprise, shall be awarded preference points
18 equal to 50 points or 20% of the available points, whichever is more;or

19 “(iv) An applicant that is both a returning citizen and a medical cannabis
20 certified business enterprise or also a veteran-owned business enterprise shall only
21 receive preference points equal to 50 points or 20% of the available points, whichever is
22 more.”.

23 (ii) Subparagraph (D) is amended by adding a new sub-subparagraph (iii)

1 to read as follows:

2 (iii) "Returning citizen" shall have the same meaning as defined in
3 section 2 of The Office of Ex-Offender Affairs and Commission on Re-entry and Ex-
4 offender Affairs Establishment Act of 2006, effective March 8, 2007 (D.C. Law 16-243;
5 D.C. Official Code § 24-1301(5)), as amended."

6 (4) A new subsection (d-1) is added to read as follows:

7 "(d-1)(A) Dispensary, cultivation center, and testing laboratory registrations
8 shall be paid annually by credit card or cashier's check, money order, or certified check
9 made payable to the D.C. Treasurer. The fee for the first year shall be paid at the time of
10 the application and the renewal fee shall be paid on or before the anniversary date of
11 issuance of the registration. All payments are due at the time the applications are filed
12 and are non-refundable.

13 "(B) The Board shall, by rule issued in accordance with section 14, establish
14 or modify the initial application and renewal fees for dispensary, cultivation center, and
15 testing laboratory registrations.

16 "(C) A dispensary, cultivation center, and testing laboratory registration shall
17 be valid for 3 years, unless:

18 "(i) Suspended or revoked; or

19 "(ii) The registration takes effect on a date in between the dates established by
20 the Board for the regular registration period of each registration, in which case the
21 registration shall be valid only until the end of the registration period.

22 "(D) The Board may impose a late fee upon an applicant for a cultivation
23 center, dispensary, or testing laboratory that fails to timely renew their registration in the

1 amount of \$50 for each business day after the due date of payment. The total amount of
2 the late fee to be paid shall not exceed the annual cost of the registration. The Board may
3 suspend a previously approved registration until the renewal fee is paid. A cultivation
4 center, dispensary or testing laboratory that has not timely renewed its registration shall
5 not be permitted to operate with an expired registration.

6 “(E) The Board may suspend a registration where the payment was made by
7 the applicant with a check returned unpaid, invalid credit card, or any other form of
8 payment that is denied by an intermediary institution. The applicant, in addition to any
9 late fees imposed by the Board under paragraph (D), shall also be charged with a \$100
10 returned check /denied payment fee.”.

11 (5) Subsection (e)(2) is repealed.

12 (6) Subsection (j) is amended to read as follows:

13 “(j)(1) No director, officer, member, incorporator, or agent of a dispensary,
14 cultivation center, or testing laboratory who has access to the medical cannabis at the
15 dispensary, cultivation center, or testing laboratory shall have a felony conviction for a
16 crime of violence, a gun offense, or for tax evasion, fraud or credit card fraud within the 3
17 years preceding the date the application is filed with ABRA; provided, that the ABC
18 Board shall not disqualify any of the foregoing individuals solely for a felony conviction
19 of possession with intent to distribute marijuana that occurred prior to the application
20 being filed.

21 “(2) The ABC Board shall not disqualify an employee of a dispensary, cultivation
22 center, or testing laboratory who has access to medical cannabis at the dispensary,
23 cultivation center, or testing laboratory from working at the dispensary, cultivation

center, or testing laboratory solely because he or she has been convicted of a felony before filing the application.

“(3) The ABC Board may establish additional criminal background requirements by rulemaking for testing laboratory agents that are responsible for testing cannabis and cannabis products and may consult with other District agencies regarding an applicant’s record of adherence to other regulatory requirements before granting an application.”.

(e) New sections 7a, 7b, and 7c are added to read as follows:

“Section 7a. Safe use treatment facility endorsement

“(a) Notwithstanding any other provision in this chapter, the holder of a dispensary registration shall be eligible to apply to the Board for a safe use treatment facility endorsement. The holder of a safe use treatment facility endorsement shall be permitted to:

“(1) Sell medical cannabis and medical cannabis paraphernalia at the dispensary to qualifying patients or the qualifying patient’s caregiver to be administered on the registered premises by or to the qualifying patient at the time of purchase within designated consumption areas on the registered premises that are separated from the remainder of the registered premises by a secure door and having a separate ventilation system;

“(2) Allow a qualifying patient or the qualifying patient’s caregiver to remove from the registered premises unused medical cannabis or medical cannabis paraphernalia that has been purchased from the dispensary in accordance with the requirements and limits set forth in this title; provided that it is packaged in a sealed and secure and labeled container.

(3) Offer or sell food that does not contain cannabis in the safe use treatment facility; and

(4) Offer recorded or background music in the safe use treatment facility.

“(b) A dispensary with a safe use treatment facility endorsement shall not:

“(1) Allow a person to consume alcohol, tobacco or tobacco products in the safe use treatment facility;

“(2) Allow any member of the public other than a qualifying patient or the qualifying patient’s caregiver to enter into the safe use treatment facility;

“(3) Allow a person to bring into or administer in the safe use treatment facility any medical cannabis or medical cannabis products that were not purchased at the dispensary unless otherwise permitted by the Board by rulemaking;

“(4) Sell, offer to sell, or provide medical cannabis or medical cannabis paraphernalia in excess of the quantity limits set forth in this chapter or regulations issued in accordance with section 14;

“(5) Encourage or permit an organized game or contest on the registered premises that involves consuming cannabis or cannabis products or the awarding of cannabis or cannabis products; or

“(6) Advertise or promote in any way, either on or off the premises, a practice prohibited under this section.

“(c) A dispensary’s safe use treatment facility area shall have the following characteristics:

1 “(1) The area where medical cannabis is to be administered on-site by qualifying
2 patients shall be isolated from the other areas of the dispensary, separated by walls and a
3 secure door, and shall have access only from the dispensary;

4 “(2) A smoke-free area for employees to monitor the safe use treatment facility
5 area; and

6 “(3) A ventilation system that directs air from the safe use treatment facility area
7 to the outside of the building through a filtration system sufficient to remove visible
8 smoke, consistent with all applicable building codes and regulations.

9 “(d) A dispensary with a safe use treatment facility endorsement shall:

10 “(1) Install security cameras that are operable and able to record for a minimum of
11 30 days;

12 “(2) Display conspicuous warning labels that are visible to the qualifying patient
13 and the qualifying patient’s caregiver concerning administering medical cannabis and
14 medical cannabis products;

15 “(3) Destroy all unadministered medical cannabis left abandoned or unclaimed in
16 the safe use treatment facility area; and

17 “(4) Package and label all medical cannabis or medical cannabis products
18 purchased to be administered on the premises of the safe use treatment facility in
19 accordance with regulations issued in accordance with section 14.

20 “(e) An applicant for a safe use treatment facility endorsement shall complete an
21 application on a form the Board proscribes by regulations issued in accordance with
22 section 14.

1 “(f) The initial application fee for the safe use treatment facility endorsement shall
2 be \$1,000. The endorsement shall be valid for 3 years with an annual registration fee of
3 \$2,000.

4 “Section 7b. Education tasting endorsement

5 “(a) Notwithstanding any other provision in this chapter, the holder of a
6 dispensary registration shall be eligible to apply to the Board for an education tasting
7 endorsement. The holder of an education tasting endorsement shall be permitted to offer
8 cooking and how-to classes and demonstrations and tastings for educational purposes to
9 qualifying patients and caregivers on-site. Activities offered by a dispensary under an
10 education tasting endorsement shall be permitted to occur on the registered premises of
11 the dispensary. However, educational activities that include the smoking of medical
12 cannabis by qualifying patients shall only occur in a Board-approved safe use treatment
13 facility.

14 “(b) A dispensary with an education tasting endorsement shall not:

15 “(1) Allow a person to consume alcohol, tobacco or tobacco products on the
16 registered premises;

17 “(2) Allow a qualifying patient or caregiver to leave the registered premises with
18 medical cannabis that was made available or offered as part of the educational activity; ;

19 “(3) Advertise or promote in any way, either on or off the premises, a practice
20 prohibited under this section; or

21 “(4) make unsubstantiated medical claims about cannabis or cannabis products.

22 “(c) A dispensary holding educational activities shall:

1 “(1) Display in the registered area conspicuous warning labels that are visible to
2 the qualifying patient and the qualifying patient’s caregiver concerning the consumption
3 of medical cannabis and medical cannabis products;

4 “(2) Destroy all unconsumed medical cannabis remaining from the educational
5 activity; and

6 “(3) Ensure that containers of medical cannabis to be used for educational
7 activities are labeled as such and may not be sold.

8 “(d) The holder of the dispensary registration may offer educational activities on
9 the registered premises between the hours of 7:00 a.m. and 9:00 p.m., 7 days a week.

10 “(e) The Board shall establish by regulation permitted medical cannabis tasting or
11 consumption limits for educational activities.

12 “(f) An applicant for an education tasting endorsement shall complete an
13 application on a form the Board proscribes by regulations issued in accordance with
14 section 14.

15 “(g) The initial application fee for an education tasting endorsement shall be
16 \$130. The endorsement shall be valid for 3 years with an annual registration fee of
17 \$130.”.

18 “Section 7c. Dispensary delivery endorsement.

19 “(a) Notwithstanding any other provision in this chapter, the holder of a
20 dispensary registration shall be eligible to apply to the Board for a delivery endorsement.
21 The holder of a delivery endorsement shall be permitted to offer curbside pickup and
22 deliver medical cannabis directly to a qualifying patient or the qualifying patient’s
23 caregiver at residential and commercial building addresses located in the District that are

1 not on District government or Federal property or public or private school grounds. For
2 purposes of this section, a public or private park shall not be considered to be either a
3 residential or commercial building address.

4 “(b) A dispensary with a dispensary delivery endorsement shall:

5 “(1) Receive and only accept an order by electronic or other means from a
6 qualifying patient or the qualifying patient’s caregiver;

7 “(2) Deliver only to the qualifying patient or the qualifying patient’s caregiver at
8 the District of Columbia address provided on the order and shall not “drop off” the
9 product without verifying the identity of the recipient;

10 “(3) Deliver no more than once per day to the qualifying patient or the qualifying
11 patient’s caregiver;

12 “(4) Travel only through the District of Columbia and not any surrounding
13 jurisdiction to make deliveries;

14 “(5) Abide by the rules posted of any landlord or property owner with respect to
15 prohibitions on cannabis deliveries on its property;

16 “(6) Abide such rules and standards as may be established by the Board
17 concerning lack of advertisements and cannabis-related logos on the vehicles used for
18 delivery; and overnight storage of any product if necessary; and

19 “(7) Use its employees to deliver medical cannabis or medical cannabis products.

20 “(c) At the time of the order, a dispensary with a delivery endorsement shall
21 require the qualifying patient or the qualifying patient’s caregiver to provide information
22 necessary to verify that the qualifying patient or the qualifying patient’s caregiver is
23 qualified to purchase and receive a delivery of medical cannabis or medical cannabis

1 products in accordance with this chapter and regulations issued in accordance with
2 section 14.

3 “(d)(1) Prior to transferring possession of the order to a qualifying patient or the
4 qualifying patient’s caregiver, the dispensary shall inspect the qualifying patient’s or his
5 or her caregiver’s government issued identification card and registration identification
6 card issued pursuant to this chapter to verify the possession of a valid registration
7 identification card and that the information provided at the time the order was placed
8 matches the information listed on the government issued identification card.

9 “(2) The dispensary’s failure to check the qualifying patient’s or his or her
10 caregiver’s government issued identification card and registration identification card
11 information in accordance with paragraph (1) of this subsection may result in the Board
12 issuing a fine against the dispensary or suspending or revoking its registration in
13 accordance with this chapter or regulations issued in accordance with section 14.

14 “(e) A dispensary with a delivery endorsement shall maintain, in each vehicle
15 used for deliveries of medical cannabis or medical cannabis products, a secure, locked
16 storage compartment for purposes of transporting and securing cash used as payment and
17 the medical cannabis or medical cannabis products. The dispensary shall not store cash
18 and medical cannabis or medical cannabis products in the same storage compartments.

19 “(f) A dispensary with a delivery endorsement shall be limited to the number of
20 vehicles established by the Board by regulations issued pursuant to section 14.

21 “(g) A dispensary with a delivery endorsement shall only be permitted to dispense
22 medical cannabis or medical cannabis products through curbside pickup or at-the-door

1 pickup to a qualifying patient or caregiver if the dispensary complies with the following
2 requirements:

3 (1) A dispensary shall only be permitted to dispense medical cannabis through
4 curbside pickup or at-the-door pickup to a qualifying patient or caregiver registered in the
5 Program or a qualifying patient enrolled in another jurisdiction's medical cannabis
6 program;

7 (2) A dispensary shall implement a mechanism or process for a qualifying patient
8 or caregiver to submit a copy of the qualifying patient's or caregiver's medical cannabis
9 registration card and valid government issued identification card to the dispensary for
10 verification prior to dispensing;

11 (3) The dispensary shall ensure that the entire exchange of medical cannabis or
12 medical cannabis products to the qualifying patient or caregiver is clearly captured on the
13 dispensary's video surveillance system;

14 (4) The dispensary shall only provide curbside pickup at curbside directly in front
15 of the dispensary and in view of the dispensary's video surveillance cameras. If the
16 dispensary's location or video surveillance system is not equipped to meet this
17 requirement, the dispensary shall not provide curbside pickup or at-the-door pickup.

18 (5) The dispensary shall implement procedures to ensure that curbside pickup or
19 at-the-door pickup is completed quickly and efficiently; and

20 (6) The dispensary shall implement a mechanism or recordkeeping process for
21 qualifying patients or caregivers to document receipt of curbside pickup or at-the door
22 pickup.

1 “(h) The holder of the delivery endorsement may offer curbside pickup or deliver
2 medical cannabis during the hours of 9:00 a.m. to 9:00 p.m., 7 days a week.

3 “(i) Applicants for the dispensary delivery endorsement shall complete an
4 application proscribed by the Board by regulations issued pursuant to section 14.

5 “(j) The initial application fee for the endorsement shall be \$300. The
6 endorsement shall be valid for 3 years with an annual registration fee of \$300.”.

7 (e) Section 9 (D.C. Official Code § 7-1671.08) is amended as follows:

8 (1) Subsection (d) is amended to read as follows:

9 “(d) The ABC Board may impose and adjudicate civil fines for violations
10 of this title and rules issued in accordance with section 14 committed by registered
11 cultivation centers, dispensaries, and testing laboratories.

12 (2) A new subsection (e) is added to read as follows:

13 “(e) Within 120 days of the effective date of the act, the ABC Board shall
14 submit proposed regulations setting forth a schedule of civil penalties and fine ranges
15 (“schedule”) for violations of this title for a 90-day period of review, including Saturdays,
16 Sundays, holidays, and periods of Council recess. If the Council does not approve, in
17 whole or in part, the proposed regulations within the 90-day review period, the
18 regulations shall be deemed approved. The schedule shall replace all civil penalties,
19 except as expressly provided in this title.

20 Sec. 3. Fiscal impact statement.

21 The Council adopts the fiscal impact in the committee report as the fiscal impact
22 statement required by section 4a of the General Legislative Procedures Act of 1975 of
23 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

1 Sec. 4. Effective date.

2 This act shall take effect following approval by the Mayor (or in the event of veto
3 by the Mayor, action by the Council to override the veto), a 30-day period of
4 congressional review as provide din section 602(c)(1) of the District of Columbia Home
5 Rule Act, approved December 24, 1073 (87 Stat. 813; D.C. Official Code § 1-
6 206.02(c)(1)), and publication in the District of Columbia Register.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL



ATTORNEY GENERAL
KARL A. RACINE



Legal Counsel Division

MEMORANDUM

TO: Ronan Gulstone
Director
Office of Policy and Legislative Affairs

FROM: Brian K. Flowers
Deputy Attorney General
Legal Counsel Division

DATE: February 25, 2021

SUBJECT: Legal Sufficiency Review of Draft Bill, the "Medical Cannabis Amendment
Act of 2021"
(AE-21-197)

This is to Certify that this Office has reviewed the above-referenced draft legislation and found it to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-5524.

BKF/a.parker

Brian K. Flowers

ATTACHMENT B

COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE, COMMITTEE ON BUSINESS AND
ECONOMIC DEVELOPMENT & COMMITTEE ON THE JUDICIARY
AND PUBLIC SAFETY
NOTICE OF A PUBLIC HEARING
1350 Pennsylvania Avenue, NW, Washington, DC 20004

CHAIRMAN PHIL MENDELSON
COMMITTEE OF THE WHOLE
&
COUNCILMEMBER KENYAN MCDUFFIE, CHAIR
COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT
&
COUNCILMEMBER CHARLES ALLEN, CHAIR
COMMITTEE ON THE JUDICIARY AND PUBLIC SAFETY

ANNOUNCE A PUBLIC HEARING

on

Bill 24-113, Medical Cannabis Amendment Act of 2021
Bill 24-118, Comprehensive Cannabis Legalization and Regulation Act of 2021

on

Friday, November 19, 2021, 9:00 a.m.
DC Council Website (www.dccouncil.us)
Council Channel 13 (Cable Television Providers)
Office of Cable Television Website (entertainment.dc.gov)

Council Chairman Phil Mendelson, Councilmember Kenyan McDuffie, and Councilmember Charles Allen announce a joint public hearing of the Committee of the Whole, the Committee on Business and Economic Development, and the Committee on the Judiciary and Public Safety on **Bill 24-113**, the “Medical Cannabis Amendment Act of 2021,” and **Bill 24-118**, the “Comprehensive Cannabis Legalization and Regulation Act of 2021.” The hearing will be held on **Friday, November 19, 2021 at 9:00 a.m.** via Zoom videoconference.

The purpose of **Bill 24-113** is to allow qualifying medical cannabis patients to obtain medical cannabis and medical cannabis products from any dispensary in the District, to allow medical cannabis dispensaries to operate safe use treatment facilities and offer tastings, demonstrations or classes with proper endorsements, to allow dispensaries to deliver medical cannabis and medical cannabis products directly to qualifying patients, to allow all returning citizens to work at a medical cannabis business, to limit the crimes that would exclude someone from being an officer, owner or agent of a medical cannabis business to crimes involving gun violence or a gun offense, tax evasion, or fraud and credit card fraud occurring within the past three years, to eliminate the count on the number of plants a medical cannabis cultivation center may grow, to increase the number of permitted dispensaries from eight to 16 and increase the number of permitted dispensaries in each ward to two, and to exclude testing laboratory facilities when determining the cap on the number of cultivation centers in a ward.

The purpose of **Bill 24-118** is to establish a regulatory scheme to license and regulate the cultivation, production and retail sale of recreational cannabis in the District. The bill would establish an advisory committee to provide recommendations to the renamed Alcoholic Beverage and Cannabis Administration; set aside half of all new licenses for social equity applicants; establish a Cannabis Equity and Opportunity Fund to financially assist social equity applicants or provide technical assistance to these

applications; to establish a Community Reinvestment Program Fund to provide grants to community-based organizations working on economic development, mental health and substance use treatment, civil legal aid in areas with high levels of gun violence, unemployment, or child poverty; to create license categories, fees, and qualifications for the cultivation, production, and sale of recreational cannabis; to establish minimum operating standards for recreational cannabis businesses; to establish penalties for recreational cannabis businesses that violate the law, require robust public education on the law and cannabis use; to establish a 13% tax on the sale of recreational cannabis and recreational cannabis products; to prohibit discrimination against residents engaging in the lawful use of cannabis; to expunge cannabis-related arrests and convictions; and to explicitly allow District-licensed banks to conduct business with licensed cannabis businesses.

Those who wish to testify must register at <https://chairmanmendelson.com/testify/> by the close of business on **Wednesday, November 17, 2021. Testimony is limited to three minutes.** Witnesses who anticipate needing spoken language interpretation or require sign language must inform the Committee office of the need as soon as possible but no later than five business days before the proceeding. We will make every effort to fulfill timely requests, although alternatives may be offered. Requests received in less than five business days may not be fulfilled. If you have additional questions, please contact Destiny Riley, Committee Assistant, at (202) 724-8196.

The hearing will be conducted virtually utilizing Zoom videoconference technology. Because of this, written or transcribed testimony from the public is highly encouraged and will be taken by email or voicemail. Testimony may be submitted in writing to cow@dccouncil.us or may be left by voicemail (up to 3 minutes – which will be transcribed – by calling (202) 430-6948). Testimony received by close of business on November 17, 2021 will be posted publicly to <http://www.chairmanmendelson.com/testimony> prior to the hearing. If you are unable to testify at the hearing, written statements are encouraged and will be made a part of the official record. Written statements should be submitted to cow@dccouncil.us. The record will close on Friday, December 3, 2021.

ATTACHMENT C

**COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE, COMMITTEE ON BUSINESS AND
ECONOMIC DEVELOPMENT & COMMITTEE ON THE JUDICIARY
AND PUBLIC SAFETY
WITNESS LIST**

1350 Pennsylvania Avenue, NW, Washington, DC 20004

**CHAIRMAN PHIL MENDELSON
COMMITTEE OF THE WHOLE
&
COUNCILMEMBER KENYAN MCDUFFIE, CHAIR
COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT
&
COUNCILMEMBER CHARLES ALLEN, CHAIR
COMMITTEE ON THE JUDICIARY AND PUBLIC SAFETY**

ANNOUNCE A PUBLIC HEARING

on

**Bill 24-113, Medical Cannabis Amendment Act of 2021
Bill 24-118, Comprehensive Cannabis Legalization and Regulation Act of 2021**

on

**Friday, November 19, 2021, 9:00 a.m.
DC Council Website (www.dccouncil.us)
Council Channel 13 (Cable Television Providers)
Office of Cable Television Website (entertainment.dc.gov)**

PUBLIC WITNESSES

- | | | |
|-----|--------------------|---|
| 1. | Salim Adofo | Chair, ANC 8C |
| 2. | Mark Eckenwiler | Commissioner, ANC 6C |
| 3. | Otto Girr | Vice President of HR, Miller & Long Inc.
(On behalf of ABC Metro Washington) |
| 4. | Meredith Kinner | D.C. Craft Cannabis Coalition |
| 5. | Adrian Salsgiver | Public Witness |
| 6. | Rabbi Jeffrey Kahn | Takoma Wellness Center, Inc. |
| 7. | David Julyan | Julyan & Julyan |
| 8. | Edward Weidenfeld | Co-Founder and Chairman of Phyto
Cultivation LLC |
| 9. | Andras Kirschner | CEO of Phyto Cultivation LLC |
| 10. | Grace Hyde | COO of Phyto Cultivation LLC |

11.	Nikolas Schiller	Co-Founder, D.C. Marijuana Justice
12.	Kris Furnish	Maryland Marijuana Justice
13.	Rachel Rammone Donlan	DC Marijuana Justice
14.	Adam Eidinge	Co-Founder, D.C. Marijuana Justice
15.	Manal Elhag	Adose Wellness
16.	William Jones	Director of Community Engagement, Smart Approaches to Marijuana
17.	Patrick Hynes	Chair, D.C. Libertarian Party
18.	Andrew St. Cyr	Owner, DefCan
19.	Alan Amsterdam	Capitol Hemp/Amsterdam Abracy
20.	Richard Kennedy	Public Witness
21.	Lisa Scott	D.C. Cannabis Business Association
22.	Queen Adesuyi	Senior National Policy Manager, Drug Policy Alliance
23.	Desley Brooks	Former Councilmember, Oakland, CA, District 6
24.	Doni Crawford	Senior Policy Analyst, D.C. Fiscal Policy Institute
25.	Khadija Tribble	Founder, Marijuana Matters
26.	Michael Johnson	D.C. Fiscal Policy Institute
27.	Essie Austin Hollandsworth	Public Witness
28.	Michael Krawitz	Veterans for Medical Cannabis Access
29.	Gabi Hirezi	Public Witness
30.	Amanda Krause	Manager, Triple D Creations LLC
31.	DC Scroger	Blue and Yellow Studios
32.	Lauren Berlekamp	Public Witness
33.	Evelyn Smith-Cureton	Public Witness
34.	Ebony Payne	Founder, District Herbs LLC
35.	Jenna Fink	Public Witness
36.	Antoinette Myers Perry	Public Witness
37.	Sean Stephens	D.C. Marijuana Justice

38.	David Johnson	Public Witness
39.	Sarah Kenney	President, Wash Hydro
40.	Mark Nagib	Owner, Pink Fox
41.	Shad Ewart	Professor, Anne Arundel Community College
42.	Elizabeth Kelly	Public Witness
43.	Ken Green	FYNE Time LLC
44.	Gregory Kaufman	Eversheds Sutherland
45.	Corey Barnette	Kinfolk Dispensary and District Growers
46.	Jennifer Snowden	Founder and CEO, High Road Delivery
47.	Anthony Bowlds	CEO, 4 Tech Media
48.	Darren Bruade	Amsterdams Abracy LLC
49.	Clare Henderson	Public Witness
50.	Edward Dodge	Public Witness
51.	Adam Bartley	Public Witness
52.	Jocelyn Bogen	Public Witness
53.	Charles Mitchell	Partner, Amsterdams Abracy LLC
54.	Joe Tierney	Founder, Gentleman Toker
55.	Jamila Hogan	CEO, The Green Life
56.	Bryan Jackson	District Flora
57.	Tyrone Hayward	Lyrical Clothing
58.	Kimberly Perry	D.C. Action
59.	Paul Zukerberg	Zukerberg & Halperin PLLC
60.	Summer Krieghauser	Public Witness
61.	Shara Gibson	Founder, Caniventures
62.	Kevin Murray	Capsterdam University
63.	Elena Sotnikova	CIO, Muldoon Hemp
64.	Kevin Wrege	D.C. Chamber of Commerce
65.	Courtney Davis	Executive Director, Marijuana Matters
66.	Pamela Wexler	WexlerESQ LLC

67.	Caroline Phillips	Founder & Producer, National Cannabis Festival
68.	Sebastian Medina-Tayac	Public Witness
69.	Linda Greene	Owner/CEO of Anacostia Organics
70.	Yvette Alexander	CEO, Y. Alexander & Associates
71.	Rodney Davis	Principal, Most High Grade
72.	Eric Spencer	Secretary, D.C. Caucus for Returning Citizens
73.	John Pacella	Public Witness
74.	Dawn Lee-Carty	Speak Life
75.	Zoey Lee-Carty	Speak Life
76.	Pete Muldoon	Farmer, Muldoon Hemp
77.	Olivia Naugle	Legislative Analyst, Marijuana Policy Project
78.	Ryan Ha	Hugs by Ha
79.	Jennifer Salmeron	Public Witness
80.	Bobby Mcleod	Home Grower Cannabis Group
81.	Byron White	Independent Association of Ministers
82.	Desiree E.	Public Witness
83.	Catherine Heath	Public Witness
84.	Robin Walker Salas	Wounded Warriors Behind Bars
85.	Veronica Chapman	Public Witness
86.	Tiffany Davidson	Moms Against Marijuana Addiction
87.	Michael Liszewski	Principal, Enact Group
88.	Hayden Gise	Public Witness
89.	Darel Dawson	Peace in the Air
90.	Peter Stinson	Manager, East Coast Amsterdam LLC
91.	Ariadna Mondragon	Public Witness
92.	Grace Reeder	I-71 Committee
93.	Tim Slayton	Urban Aroma
94.	Seema Sadanandan	Public Witness

- | | | |
|------|------------------|--------------------------------|
| 95. | Kymone Freeman | We Act Radio |
| 96. | Donald Temple | Public Witness |
| 97. | Richard Gerald | Generational Equity |
| 98. | Mike Fizczko | Generational Equity |
| 99. | Abdul Muhammad | Generational Equity |
| 100. | Tori Reeder | Generational Equity |
| 101. | Mackenzie Manns | Generational Equity |
| 102. | Louise Perry | Generational Equity |
| 103. | Kimberly Johnson | Generational Equity |
| 104. | Isang Udokwere | Generational Equity |
| 105. | Lindsay Black | Generational Equity |
| 106. | Dominique Allen | Generational Equity |
| 107. | Moir Cyphers | Compass GR/Generational Equity |

GOVERNMENT WITNESSES

- | | | |
|----|-----------------|---|
| 1. | Aurelie Mathieu | Assistant Attorney General for Policy and
Legislative Affairs, Office of the Attorney
General |
| 2. | Fred Moosally | Director, Alcoholic Beverage Regulation
Administration |

ATTACHMENT D

My name is Rabbi Jeffrey Kahn. I am a resident of Brightwood Park and my family and I own and operate Takoma Wellness Center, the District's first and longest operating medical cannabis dispensary. Before discussing cannabis, let me put on my rabbi's hat to say (shehechyanu). This is a moment to celebrate for we have been kept alive, we have been sustained, and we've been brought to this moment when we begin to legalize the use of cannabis for all adults in Washington, D.C. Thank you Chairman Mendelson and all the members of the Council of the District of Columbia for making today possible.

I don't think anyone testifying today will oppose marijuana legalization. I-71 passed with 65% of the vote in 2014. I'm sure even more Washingtonians support full legalization today. But, today you will hear many different ideas of who, how, what, where, and when it should be done. The proposed legislation aims to maintain and strengthen our medical cannabis program. That intention is stated several times in the proposed legislation. I don't think anyone testifying today will oppose maintaining a strong medical cannabis program. We all want medical use and adult use and we all want it done correctly.

We will not be the first jurisdiction with a medical cannabis program to legalize all adult use. Washington State, Oregon, California, Arizona, Nevada, Colorado, Michigan, Alaska, New Mexico, and Illinois all had medical programs in place when their adult use programs began. All wanted to keep a medical program in place. Some have been far more successful than others.

The states that have succeeded have:

1. **Built their new adult use program on the foundation of their medical cannabis program.** Takoma Wellness Center has a ten-year unblemished record of successfully operating in a heavily regulated and taxed DC cannabis program. Current and proposed rules and legislation call for additional medical dispensaries and cultivation centers. An Adult Use program will, no doubt, require even more. But the current licensed dispensaries and cultivators must be grand-mothered into any Adult Use program and must be able to sell cannabis to any adult as soon as the Act is effective. That is our first step to success.
2. **Established a large enough tax difference between medical and adult use cannabis to encourage medical patients to see a medical care provider and register with the state.** It costs at least \$200 to enter DC's medical marijuana program. People will not spend that much and pay the same or a similar sales tax. The proposed legislation calls for a 13% sales tax for adult use and 6% for medical. The tax is too high to encourage medical registration or encourage regulated adult use sales. It would be best for adult use cannabis to be taxed at the regular 6%. Like any other medicine, medical cannabis should not be taxed at all. A low "recreational" tax and no medical tax is our second step.
3. **Allowed dispensaries that serve medical and adult use clients to mark all differences at the point of sale.** It is at the point that all differences in tax, limits, products, and

prices can be made. States that have adopted programs that require different entrances, inventories, counterspace, etc. have all found them excessively burdensome and unnecessary. We hope to see changes made to the proposed legislation to remove these stumbling blocks so we can succeed.

4. **Encouraged greater diversity and local participation by carefully expanding their program.** We need to be sure that rules and regs are promulgated so that supply and demand are maintained. New players must be added to the program to serve more clients. ABRA is about to open applications for new cultivators and a dispensary. The legislation under consideration today doubles the number of dispensaries. DC currently has one the most diverse cannabis industries in the nation. Most of our dispensaries are Black and/or woman owned. We are encouraged that this legislation will keep us as local and as diverse as possible. That's step four to our success.

Today, you are hearing many ideas about how DC can create a safe, legal, taxed, and regulated adult use cannabis market. Please remember that while doing so, we must maintain and strengthen our medical cannabis program, upon whose foundation the adult use program will be built. All current, licensed medical cannabis dispensaries must be to sell to the general adult population as soon as regulations are finalized. We must stop taxing medical cannabis altogether and create a low adult use sales tax. And, we must continue to encourage diverse and local ownership. Together, we can make all this happen and insure the success of our efforts.



**TESTIMONY BEFORE THE COUNCIL OF THE DISTRICT OF COLUMBIA COMMITTEE
OF THE WHOLE, COMMITTEE ON JUDICIARY & PUBLIC SAFETY, and
COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT
Public Hearing - November 19, 2021**

**Bill 24-113 Medical Cannabis Amendment Act of 2021
Bill 24-118 Comprehensive Cannabis Legalization and Regulation Act of 2021**

Presented by: Grace Hyde

Mr. Chairman and members of the Council, my name is Ed Weidenfeld and I am one of the other owners of Phyto Cultivation LLC and a medical cannabis patient.

I speak on behalf of the hundreds if not thousands of District residents who need medical cannabis to reduce their chronic pain, help them to function on a daily basis, and get quality rest and sleep.. Cannabis is not a recreational luxury for us, it's a critical part of maintaining our quality of life.

The medical market that serves us with safe products cannot compete with the illegals for access and price under current ABRA registration requirements and with only 7 medical dispensaries compared to the numerous illegal shops found in almost every neighborhood in the city.

As a result, too many medical patients are buying products at the illegal shops where the safety, even the content, of the products is a crap shoot. Those products aren't District grown from regulated cultivators. They are primarily west coast cannabis that is often contaminated and unsellable until a criminal network transport the cannabis to DC where it supplies the city's illegal shops.



Unsafe, often unhealthy cannabis products are a threat to all users, but for medical patients it's more than just a "bummer." We rely on cannabis to maintain a quality of life and to keep our illnesses and chronic conditions in check.

The loud voices from the illegal shops cannot hide the fact that their product is illegal and unsafe and that if they are allowed to continue to sell these products openly and aggressively it will harm medical patients and deny them access to safe, tested products.

We rely on this Council to pass legislation that will ensure we have access to the safe cannabis we need. That means legislation based on facts, not slogans, and recognizes that you have a responsibility to residents that need safe medical cannabis. While obviously the recreational market will always be much larger than the medical market, please keep us and our quality of life needs as a high priority as you balance the issues and create a legal cannabis program for the District.



**TESTIMONY BEFORE THE COUNCIL OF THE DISTRICT OF COLUMBIA COMMITTEE
OF THE WHOLE, COMMITTEE ON JUDICIARY & PUBLIC SAFETY, and
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**TESTIMONY BEFORE THE COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE, COMMITTEE ON JUDICIARY & PUBLIC SAFETY, and
COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT
Public Hearing - November 19, 2021**

**Bill 24-113 Medical Cannabis Amendment Act of 2021
Bill 24-118 Comprehensive Cannabis Legalization and Regulation Act of 2021**

**Presented by:
Phyto Cultivation LLC- Medical Cannabis Cultivation Center #MMP00064
Grace Hyde, Andras Kirschner, Ed Weidenfeld**

The District's legal medical cannabis licensees, the most diverse group of owners/operators in the country, are getting crushed by the city's \$600,000,000 illegal market and are in dire jeopardy.

A comprehensive approach is required to save the District's medical cannabis market, reinforce it to meet the challenge of a recreational market, and prepare for transition to a regulated adult-use framework. If the District fails to take the following actions, regulated cannabis, in either medical or adult use markets, is unlikely to survive. We recommend the following changes to the two cannabis bills before the Council, B24-113 and B24-118.

B24-113 Medical Cannabis Amendment Act of 2021

1. Repeal ABRA registration requirements for patients and caregivers. This outdated, burdensome, time consuming and expensive process has deterred patients from entering and remaining in the medical marketplace. By repealing these requirements, the District will maintain and rely on the professional relationship between healthcare provider and patient; a process no different than acquiring any other type of medication. Medical dispensaries will continue to collect patient demographic information and track their purchasing using their unique government issued ID number. This idea is overwhelmingly supported by patients and industry workers, with over 1000 letters and signatures collected in favor of repealing ABRA registration in the last week.
2. Provide qualified i71's a "pathway to legal" and enact civil enforcement measures against the illegal market. Civil enforcement (fines, no jail) will effectively combat the illegal market, estimated at 17x the size of the medical market. Unfettered access to the illegal market is a major reason that patients do not bother to pay and register with ABRA to



access the medical market. These civil penalties will be limited to fines and revocation of basic business licenses; they will not result in jail time, nor will they prohibit qualified i71 operators from a “pathway to legal,” by applying for medical or recreational social equity licenses in the future.

3. Permit the legal medical licensees to deduct ordinary and necessary business expenses on their District of Columbia tax filings, items currently prohibited by federal tax code 280E on federal tax filings. States including Colorado, Oregon and Colorado have already begun this practice to help alleviate the significant tax burdens that legal operators bear, unlike the illegal market actors.

B24-118 Comprehensive Cannabis Legalization and Regulation Act of 2021

1. Explicitly and immediately transition all existing medical licenses into the new class of medical-recreational license with no additional application necessary. These operators have established the legal market over the past eight years, and their ability to immediately pivot to serving both medical and adult use markets is crucial to the success of the market and buy-in of the consumer. “Grandfathered” license status shall include distribution rights as well as transfer of license rights in the event of the sale of a license, consistent with the terms of the initial corporate and licensing agreements.
2. Remove the distributor license class and replace it with an alternate ancillary license class: third party delivery services that can be used B2B by cultivators, or B2C by dispensaries. Distributors are unnecessary with DC’s limited geographic footprint and will only result in higher prices, further discouraging purchasing on the legal market. A third-party delivery service will have minimal startup costs, providing ownership opportunities for social equity applicants, including i71’s, with limited access to capital.
3. Give preferential status to applications with a business plan for cannabis workforce training programs. Too often, even well-educated applicants are overwhelmed by the learning curve of working with cannabis product – from the complexity to designing, building, and operating a cultivation and processing operation, to managing staff in a highly regulated industry with seed-to-sale tracking, rigorous security requirements, and record maintenance, not to mention the nuances of banking and acquisition of capital, as well as hurdles such as 280E tax liability. Workforce training programs are crucial to setting up future business owners for success in a regulated market and ensuring their sustainability in a challenging operating environment.
4. Provide a “pathway to legal” for CBE applicants by easing previous application requirements, such as securing real estate assets before receiving approval status, expediting the application review process, and releasing only social equity and grandfathered operators licenses in the first year of an adult use program.



5. Remove the sales tax requirement for medical patients, encouraging the continued participation in obtaining a medical recommendation.
6. Remove any distinction in recreational and medical tracking of product in either cultivation centers, manufacturers, or dispensaries. Multiple tracking systems is cumbersome and expensive; the only delineation needs to be made at the point of sale, differentiated by the tax rate the customer is charged.

Prelude to today's market crisis:

District voters passed Initiative 71 in 2015, which permitted the home grow, home use, and home share of small amounts of cannabis. The illegal market falsely claims they are operating under the terms of i71, however the Initiative did not provide a framework for any type of business structure or allow the current “gifting” of cannabis in exchange for goods and services.

i71 allows

- District residents access to a small supply of cannabis (up to 2 ounces) through their own home grow efforts (up to 6 plants)
- District residents to give away 1 ounce to a friend without remuneration

i71 did not authorize:

- A recreational commercial market with store fronts, delivery services, and pop-ups
- Commercial, public advertising
- The *gifting* of cannabis for *goods* such as stickers, t-shirts, or buttons
- The import of cannabis from outside the District of Columbia
 - Nearly 100% of the products sold by illegal market is grown outside the District
 - Cannabis that is often contaminated and unsellable on the west coast follows a well-organized criminal delivery system to DC

Previous efforts to shut down the illegal stores through criminal charges have been unsuccessful, as these cases are often dismissed in an overburdened court system. Civil penalties would effectively deter these types of operations without sending any District residents to jail or prohibiting them from a “pathway to legal” or applying in future legal license application rounds.

Reality of the market today:

DC's legal cannabis owners and operators represent the most diverse and locally anchored group in the country. Over 80% are DC residents, 36% are people of color and 36% are women. The demographic makeup of the illegal market is unknown because that information is not collected. The legal operators view social equity and inclusion of marginalized people in the legal



marketplace as a moral imperative and look forward to a solidified social equity program built upon the provisions of the “Fifty Point Preference Clarification Emergency Amendment Act at of 2021.”

However, the District’s medical cannabis program is in danger of extinction. Patient registration plummeted 50% on September 1, 2021 after emergency waivers permitting patients with expired registrations to purchase medical cannabis was not renewed. It is imperative that the Mayor and the Council take immediate action or the District, in addition to witnessing the demise of the medical program, will likely never see a legal adult cannabis market.

We are hemorrhaging patients to the illegal cannabis market for two primary reasons:

1. Burdensome, outdated, and expensive ABRA registration requirements create significant barriers to accessing the legal medical market compared to no registration requirements and easy access to the dangerous and untested illicit market.
2. DC, along with California, is the only jurisdiction in the country that allows the illegal market to operate as if they were legitimate business with pop-ups, storefronts, delivery services, and public advertising with little fear of arrest or enforcement.

The city’s illegal market is estimated at \$600,000,000 – 17x the size of the \$35,000,000 legal medical market. That’s \$600 million worth of out-of-state, untested, unsafe, untaxed, unregulated cannabis sold by illegal shops - they aren’t “gray market” or “i71 compliant.” There are no District laws, regulations or Initiatives that authorize what these illegal operations are doing. It’s also leaving over \$36,000,000 in tax revenues uncollected by the District, not to mention company contribution to programs like unemployment benefits, paid family leave, and more.

A primary reason for low patient retention is ABRA’s registration requirements for both healthcare providers and their patients. Recent temporary measures by ABRA and the Council are only band aids and will not stop the collapse of the legal market. As ABRA’s own records confirm that patients are not re-registering. They are following the ads and buying from the easily accessible illegal market. Once they leave the medical program for the illegal market, it is nearly impossible to get them back.

Repeal ABRA registration requirements. Allow District residents to purchase safe products from a medical dispensary with a recommendation from a District healthcare provider (now available with telemedicine) and government issued ID. Louisiana repealed registration and the number of medical patients soared by over 350% in a year!



It should be no more difficult to obtain medical cannabis than it is to fill a prescription for opioids.

ABRA has expressed a concern about the loss of revenue from registration fees and legal operators have offered to help. Establishing the fiscal impact of repealing declining registrations is the first step. The DC Cannabis Trade Association members agreed, without dissent, to consider raising their annual fees, along with tax revenue usage, annual ABRA appropriations, and ABRA cost savings as sources to cover any lost and required revenue.

Looking forward:

It isn't too late and there is a path that will lead to a safe, healthy, robust legal cannabis market for consumers, operators, and the District. However, that path isn't guaranteed, and time is running out.

The District needs to accept today's reality and commit to specific immediate actions to repair the damaged existing market by repealing ABRA registrations. Residents need an adult recreational market built on a robust and realistic social equity policy including a "pathway to legal" for qualified illegal operators, in particular for returning citizens, and acknowledges current legal operators as the critical foundation to a future adult market through comprehensive grandfathering provisions.

As the legal market is being launched, it is essential that the illegal market be addressed and shut down. If not, the District is likely to follow the example of California, the only other jurisdiction in the country that allows illegal businesses to operate without constraint or enforcement, which is crippling their legal market. Because DC's illegal market operates with impunity and ABRA registration is a barrier to access the legal market, this is the environment in which licensed operators must compete. But there really is no opportunity for the legal medical program if the illegal market has all the advantages. If there is no effort to thwart this threat, reduce the barriers to patient access, and properly establish and support the adult market, the District's legal cannabis market, both current medical and future adult use, will collapse.

JULYAN & JULYAN

DAVID S. JULYAN

**TESTIMONY BEFORE THE COUNCIL OF THE DISTRICT
OF COLUMBIA COMMITTEE OF THE WHOLE, COMMITTEE ON
JUDICIARY & PUBLIC SAFETY, and
COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT
Public Hearing - November 19, 2021**

**Bill 24-113 Medical Cannabis Amendment Act of 2021
Bill 24-118 Comprehensive Cannabis Legalization and Regulation Act of
2021**

Presented by: David Julyan

Mr. Chairman and members of the Council, my name is David Julyan. I am an attorney and Phyto Cultivation is my client.

I want to address the city's illegal market and i71.

The city's illegal market is estimated at \$600,000,000 – 17x the size of the \$35,000,000 legal medical market. That's \$600 million worth of out-of-state, untested, unsafe, untaxed, unregulated cannabis sold by illegal shops. And there isn't a "gray market" nor "i71 compliant" cannabis sellers. There are no District laws, regulations or Initiatives that authorize what these illegal operations are doing. It's also leaving over \$36,000,000 in tax revenues uncollected by the District.

Here are the facts about i71.

District voters passed Initiative 71 in 2015, which permitted the home grow, home use, and home share of small amounts of cannabis. The illegal market falsely claims they are operating under the terms of i71, however the Initiative did not provide a framework for any type of commercial business structure nor allow the current "gifting" of cannabis in exchange for goods and services.

i71 allows District residents access to a small supply of cannabis (up to 2 ounces) through their own home grow efforts (up to 6 plants) and to give away an ounce to a friend without remuneration

i71 did not authorize a recreational commercial market with store fronts, delivery services, and pop-ups:

i71 did not authorize public advertising:

i71 did not authorize the *gifting* of cannabis for *goods* such as stickers, t-shirts, or buttons; and

i71 did not authorize the import of cannabis from outside the District of Columbia.

Those four unauthorized, illegal acts are the core of the i71 business model.

Previous efforts to shut down the illegal stores through criminal charges have been unsuccessful, but they

are also inappropriate and unnecessary. While the success of a legal market requires shutting down the illegals, it doesn't require jail sentences and criminal records.

It is appropriate, once there's a "pathway to legal" for the illegals as explained in earlier testimony, for the District to begin an aggressive civil enforcement program that is limited to fines and, for repeat violators, revocation of business licenses and permits. No jail, no criminal records; just well-publicized public policies and laws that provide for the "pathway to legal" and a safe, regulated legal market where everyone is treated equally and fairly and where your constituents have easy access to a safe product from an operator who is in compliance with all relevant District laws and regulations.



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November 19, 2021

Testimony

of

Nikolas R. Schiller

Co-Founder of DC Marijuana Justice

**Before the Council of the District of Columbia's Committee of the Whole, Committee on Business
Development, and Committee on Judiciary and Public Safety,
Concerning Bill 24-113, Medical Cannabis Amendment Act of 2021,
and Bill 24-118 Comprehensive Legalization and Regulation Act of 2021**

Thank you Chairman Mendelson, Chairman Allen, and Chairman McDuffie and the rest of the DC Councilmembers present for holding this historic hearing today. I would first like to offer my gratitude to the Chairmen, Councilmembers, and their staff for writing two great pieces of legislation. The tax & regulate legislation has come a long way from when it was first introduced back in 2013 by former Councilmember Grosso. However, both of these pieces of legislation before us today have some issues that I feel compelled to address during my 3 minutes today.

First, the types of licenses being legislated is too limiting. Some states have dozens of types of licenses depending on the size and scale of the business. Right now in DC there are over 20 different types of alcohol licenses available, which I have included with my testimony. Why are there not over 20 different types of licenses being suggested in this statute? A Bud & Breakfast license for AirBnB hosts, Nursery License to let adults buy cannabis seeds and clones of varying sizes from existing garden supply stores, on-site consumption license with food, with music, with alcohol, with over 42 patrons, with over 420 patrons. You get my drift. I urge the Council to drastically expand the number of licenses being offered and lower the license fees. The costs for alcohol licenses should be the model. We want parity.

Also attached to my written testimony is a “Cottage Industry” license that I drafted. I believe it will provide a low-cost, low-barrier way for more adults to engage in the lawful cannabis market. Right now there are thousands of adults who are lawfully growing cannabis in their homes thanks to the rights afforded to them through Initiative 71. However, these adults have no way to lawfully sell their extra cannabis to other adults or licensed businesses. This proposed license provides a way for DC’s small-time growers to do so at Farmers Markets or to other licensed dispensaries. There is a license to sell alcohol at Farmers Markets, therefore the same should be available for cannabis grown in DC. Moreover, adults who live in government subsidized housing are prohibited from growing their own supply of cannabis. Under my proposed “Cooperative Grow” endorsement, an adult with a Cottage Industry license can lawfully increase the number of plants at their home and allow up to 4 other adults to grow cannabis within their home.

Third, the medical cannabis program should be reformulated from the ground up. Right now the Medical Cannabis program is failing because it was designed to be extremely restrictive. In 2010 the DC Council was afraid of Congress, so everything I cautioned against when I testified back in February 2010 has come to pass. Too few plants, too few cultivation centers, too few dispensaries, too high of a cost for customers, illegal investigations based on a doctor’s free speech activity. There should be no caps on the numbers of cultivation centers or dispensaries. Is there a cap on the number of liquor licenses in DC? No DC adult needs to get a recommendation or a card from the DC government, unless they absolutely need one, like a minor. I can buy drugs more lethal than cannabis right now at CVS without a recommendation or prescription. More people die every year from acetaminophen, than cannabis. These legal convenience store drugs are called “Over The Counter” medicines. It’s time cannabis in DC is treated this way. Paying a doctor to give you a recommendation, paying the DC government to get a card, and paying taxes on medicine, are all impediments to safe access to quality cannabis. The DC government will make more tax revenue, employ more adults, and provide more cannabis to adults when the medical program becomes an over the counter program and this will only happen if the limiting statute of DC’s medical cannabis program is overhauled.

Fourth, this legislation does not address the number one reason adults are still harassed by the police. Public consumption of cannabis needs to be legalized immediately. Since March of this year, it’s been legal to consume cannabis wherever one can smoke cigarettes in New York City. Namely, sidewalks. The sky hasn’t fallen and thousands of people haven’t been arrested. The same needs to happen in DC immediately. Refocus police

resources on criminals perpetrating crimes instead of adults taking a puff or two. Public consumption of cannabis is already happening now in DC and it's your job to stop making people criminals for something benign as smoking a blunt on the sidewalk. There are thousands of DC residents who cannot consume cannabis at their homes and at the very least, they should be able to consume cannabis wherever people are allowed to smoke cigarettes. On-site consumption lounges are good, but with the coronavirus pandemic still ravaging our neighborhoods, outside is better.

Finally, the writing is on the wall that there is a crackdown coming with respect to cannabis "gift shops" currently operating in DC. This legislation needs to give every cannabis-related business currently operating in DC the opportunity to get a license. Right now ABRA is holding back the licenses when it could be issuing them on a regular basis. Worse, the 18 month delay built into this legislation for ABCA to issue implementing regulations means the current monopoly held by the medical cannabis licensees will continue for the foreseeable future. And during that time, numerous DC small businesses will be raided and shut down. The alternative, however, is amnesty. Amnesty is needed so any unlicensed business can become licensed within the next year and there needs to be a moratorium placed on any raids on DC's "gift shops." Amnesty is the best gift you can give and it doesn't cost you anything. Please consider it.

Thank you for your time and I welcome any questions you may have.

Good morning/afternoon members of the Council. Thank you for giving me the opportunity to speak today on the issue of standards and safeguards, and thank you for your work on writing this piece of legislation. DC has been waiting 7 long years for this day. My name is Kris Furnish, I'm a resident of DC in Ward 2, and I'm a community activist who believes in doing the right thing for the people in our communities. Today I would like to talk about testing for cannabis products.

There are two primary reasons why cannabis products should be tested in accredited cannabis testing labs: to verify the products are safe for human consumption; and to give consumers guidance on the potency of the cannabis product they are using.

Yet, since cannabis was legalized here in DC for medical and adult use, not a single accredited facility is in operation to test cannabis for heavy metals, and dangerous, sometimes deadly, chemicals and pesticides. The use of chemical pesticides and fertilizers on cannabis must be documented and if detected, these tainted products should not be allowed to be sold in dispensaries, especially in the case of medical patients. In addition, mold and fungal contaminants in cannabis also can lead to health issues, especially patients prone to asthma, allergies, or immune-system-compromised.

We must ensure cannabis is safe from these contaminants. Just like most products available for human consumption, there are so-called "acceptable" limits that agencies have set for each compound. I would argue that any trace of these harmful compounds is unacceptable for human consumption, but unfortunately some chemicals are permitted by regulatory agencies to be sprayed on agriculture products, although banned in other countries that are more prone to health and safety standards.

The bottom line is cannabis must be tested and the results should be listed in the products certificate of analysis. Labeling would ensure the products we consume are free of unwanted dangerous chemicals that could make them very sick. Take for example this case: a mother in DC who wanted to give her child safe, craft-cultivated cannabis grown at home to treat her daughter's epilepsy, however the law forced the mother to purchase so-called medical cannabis from a licensed medical dispensary -- one with untested products. The cannabis was indeed found to have tested positive for certain chemical compounds that triggered a severe seizure, and the child had to go to the hospital.

This never would have happened had this woman been allowed to give her child safe, tested cannabis she grew in her own home, that of course wasn't sprayed with chemicals or potentially laced with drugs, or had the cannabis she purchased from the medical dispensary been tested.

I urge the council to amend the proposed legislation to add third-party testing facilities, and incentives for cultivators to grow clean, and environmentally sustainable cannabis that is tested and does not contribute to climate change. We must move away from indoor cultivation, as it relies too heavily on fossil fuels which we all know contributes to climate change.

Another concern of mine is there needs to be programs set up to help people who need guidance in starting a business. Entrepreneurs who've been disproportionately harmed by the failed war on drugs shouldn't just be limited to preferential treatment in the cannabis industry. A criminal record for cannabis kept people out of all industries for work, not just the cannabis industry. These individuals need guidance on how to properly apply for a license, and how to set up a business, otherwise we are just creating a system that sets people up for failure. A portion

of the funds generated from legal cannabis sales should be allocated towards these types of programs to help people get started. Restorative justice and reparations should be at the forefront of this fight, because after all, the war on drugs tore children from their families.

And one last point I feel is important to mention is that we need real expungement of records for District residents who've been negatively impacted by prohibition. Currently, DC only seals records, and that's not good enough. Cannabis related charges should be automatically expunged from a person's record. No one should have to file paperwork, pay for it, and wait, it should and can be done automatically.

Thank you.

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November 19, 2021

**Testimony of Rachel Ramone Donlan
Consumer Director of DC Cannabis Business Association
Before the Council of the District of Columbia Committee of the Whole**

Pertaining to

**Bill 24-113 Medical Cannabis Amendment Act of 2021
Bill 24-118 Comprehensive Legalization and Regulation Act of 2021**

Thank you for your time and consideration. This bill has the potential of solving all of the issues that the cannabis community has had to deal with in other states. We are here, today, supporting, united in our message to you from DCMJ/DCCBA. We want to take pride and assist you in making it the most comprehensive and socially beneficial bill that the world has ever seen.

As the Consumer Director of DCCBA, some of the most important issues are covered in this bill. No family should be torn apart because of testing positive for cannabis on a drug test.

Other states will look here to see how to truly legalize cannabis in such a way that arrests will stop. The process needs to be so **accommodating** to those that have been targeted by the harmful war on drugs that there is **no excuse not to do it the legal way**. Anyone that wants to sell any amount of cannabis should be allowed to do so, legally. In this way, we can ultimately protect **consumer safety**. Be it through testing or through not having to meet in an unsafe environment or through fear about being arrested, themselves for buying cannabis. We want stores, delivery and farmers market sales. We do not want fees, filing forms or appointments to buy cannabis.

As a consumer, I want inclusion. I do not want to simply see just **one** or two disabled-elderly-POC-female-DC native gain a license amongst a sea of the obvious. We want to see many more than one or two.. We want to see different faces representing the District because the laws here should represent the landscape. **Women need to specifically be added in the definition of inclusion and inclusion needs to be added anytime the phrase "Social Justice" or "equity" is mentioned. And they need funding to succeed.**

Thank you for including that unless specifically ordered, a positive drug test will **not** send someone back to jail. Otherwise, this tears apart families.

When I tested falsely for cannabis in a custody dispute, my son was given to my abuser. He later went to jail for child endangerment and for drunk driving with his children in his car. The government put my child in the hands of a dangerous abuser because he said that I smoked cannabis when I didn't. . My 29 years old son wants you to know that he supports my efforts here, today.

Before I conclude I would like to address the rights of **tenants of public housing**, I understand that the issue of housing and cannabis cultivation and use of cannabis in federal housing has been conveniently passed off as federal jurisdiction.' However, it needs to be said that, since all of this that we are discussing today is technically illegal at the moment under federal law, **D.C. can and should publicly and defiantly challenge the validity of the law** and stop punishing its residents in federal housing for using cannabis in the privacy of their homes. I urge the city government to **place a moratorium on evictions for using cannabis** in one's own home, especially amid a pandemic that demands people spend the majority of their time in the safety of their home. It's inhuman to throw people out of their homes simply for using this miracle plant that is otherwise legal for everyone else. **And tenants of public housing are not alone. Veterans, who are denied VA benefits to cover the cost of their medical marijuana, are also very well aware of these unfair constraints placed on people who are among the most vulnerable among us.**

Look to Malden, Massachusetts for an example of how it's been successfully done. People in federal housing include the financially challenged, disabled people, the abused, veterans and students. None of them should be left out in the cold for something that you are making legal.

There should be no tax on medical cannabis. This idea is not new and will offer support to the medical cannabis program.

Police should not have audit power over license holders.

I completely support cottage industry as presented by DCMJ/DCCBA, specifically, Adam Eiding, Nikolas Schiller, Lisa Scott, Kris Furnish, DC Scrogger,

Thank you for your time.

Sincerely,

Rachel Ramone Donlan
Former Director, Massachusetts Cannabis Reform Coalition//NORMI,
Co-Founder, VAMJ
Activist, DCMJ
Consumer Director, DCCBA



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November 19, 2021

**Testimony of Adam Eiding
Initiative 71 Proposer
Before the Council of the District of Columbia Committee of the Whole**

Pertaining to

**Bill 24-113 Medical Cannabis Amendment Act of 2021
Bill 24-118 Comprehensive Legalization and Regulation Act of 2021**

Thank you Chairman Mendelson, Chairman Allen and Chairman McDuffie and the rest of the DC Councilmembers present for affording me this opportunity to offer ideas on these bills before us regarding the sale of cannabis in the District.

Will skip during the hearing

For those of you who don't know me well, I have been an active cannabis advocate since the first medical cannabis effort in DC with Initiative 59 in 1998. I was the co-founder along with Alan Amsterdam of Capitol Hemp in 2007, which was raided by DC police for alleged sales of bongs and vaporizers intended for cannabis consumption in 2011. Due to public outcry and community organizing, long overdue changes to DC law were realized with passage of Initiative 71 which proved strong public support for legalization of cannabis when it was passed with 70% of the vote in 2014. Ultimately it was DC Voters who stopped about 5,000 marijuana arrests per year even after half measures such as decriminalization and DC's medical cannabis program were established.

While Initiative 71 could not spend money due to District rules preventing Initiative expenditures, we could give people the right to grow six cannabis plants at home, keep what they grow, gift it to other adults and carry two ounces outside the home. We felt then, as did Chairman Mendelson, who once said to me in response to a question at a public event around that time that we were, **"On the path to legalization."**

In an unjust turn, Representative Andy Harris's budget rider prevented the creation of an adult cannabis marketplace and for the DC Council to establish guardrails as well as opportunities. Now, thanks to friends in Congress and public protests DCMJ organized on Capitol Hill, we are about to get legislative authority back over Schedule I drug penalties. As Treasurer for Initiative 81 last year, I saw first hand how DC voters are ready for broad-based drug policy reform, especially when we know there are low-cost and readily accessible therapeutic uses of formerly contraband plant medicines.

Typically, Cannabis grown at home is of high quality and completely medicinal. Thanks to our ballot initiative medical cannabis program cultivators do not hold a monopoly over cultivation in DC - unless you are a dispensary with no options to buy from anywhere but the program's cultivation centers. Cannabis like most plants belongs to everyone and should be grown at home to save money and could even provide a supply for DC's medical program dispensary operators so as to increase the variety they offer and for social equity. Growing medicine is a very healthy process in its own right. Growing cannabis promotes a

nurturing lifestyle that is good for your soul and society. I'm am thankful this bill doesn't remove any home grow rights, but it should add some.

Reading at Hearing

I believe the DC Council has put forward a thoughtful vision for how to allow sales of cannabis in the Comprehensive Legalization and Regulation Act of 2021 but this bill needs to be more practical by including a **Cottage Industry section (see below for amendment)**, that will encourage participation from small home growers who are already diverting some of their cannabis for supplemental income to friends, family, and often terminally ill people they met through underground networks of caregivers. Let's embrace the already established cottage industry around home grown cannabis by offering licenses at fair prices and no limit on the number of these cottage industry licenses available.

For far too long lawmakers have looked to cannabis as big business but in fact it's the greatest wealth creator for the most people as a cannabis cottage industry. Albeit, often outside legal boundaries, It's a viable home based industry in the US and is already very democratic, except people of color are still bearing the brunt of law enforcement.

It is not fair to legalize sales but to tell the people currently selling most of the cannabis underground in DC there are no licenses available for them. I predict we will end up with more arrests for sales after this wave of legalization if those operating with the belief Initiative 71 protects them legally now are not licensed under the new law. We can create opportunity for all and stop picking the winners with overregulation that takes cannabis wealth creation away from social equity operators now. A cottage industry license as we are proposing allows people to sell at farmers markets or to other licensed retailers.

Another major fix in the bill needed is the double standard towards out of state ownership outlined in line 666. Currently the law does not restrict out of state ownership for medical program operators but the new adult market will require 60% ownership by a DC resident of 6 months. This likely violates the commerce clause and other states have tried this and have been challenged and lost. While I agree with the intention to promote local ownership I am concerned this actually creates another advantage for existing medical program operators at the expense of social equity and minority ownership opportunities for new applicants. For example, a person with no investment capital will never get a foot in the door if 60% ownership is the requirement. We have a regional business economy with many people in Maryland and Virginia creating jobs in DC and vice-versa through investment. We should not limit access to investment capital for DC residents. Please consider minority stake partnerships as valuable ownership opportunities for DC residents who lack start up capital.

Because DC locked out most of the applicants for medical licenses when we could have had numerous new businesses, we are not prepared for adult sales and alternative channels have become widespread. During DCMJ's public zoom reading of the Comprehensive bill many asked for low cost licenses, hence the Cottage Industry amendment. In conclusion, I have listed below a line by line analysis of major and minor fixes to the bill 24-118 that we gathered from DC's cannabis community zoom process.

Thank you for your time and consideration of the Cottage Industry Amendment.

Suggested Additional Section for a Cottage Industry
§ 25-22XX. Farmers Market Endorsement

“(a) A Farmers Market Endorsement is a license issued to Cottage Industry Licensees or Microbusiness Licensees that authorizes the licensee to sell the cannabis, cannabis products, and cannabis infused edibles at Farmers Markets in the District of Columbia.

(b) A Farmers Market Endorsement shall not be awarded to adults or companies who own or work for individuals or companies with Dispensary Licensees

(c) The fee for a Farmers Market Endorsement shall not be more than \$250 per year

(d) A label shall be affixed to all products sold at that includes a notice that the product has not been tested, unless such product has been tested at licensed facility

§ 25-22XX. Cottage Industry License

“(a) A cottage industry license shall authorize the licensee to grow and produce medicinal and/or recreational marijuana within their residence for sale and delivery at wholesale directly to manufacturers, testing facilities, retailers, and farmers markets

“(b) The holder of a cottage industry license is required to obtain a Farmers Market Endorsement in order to lawfully sell their cannabis directly to adults at Farmers Markets

“(c) The testing of cannabis grown by Cottage Industry Licensees is required for any batch over 6 ounces of dried cannabis

- (1) A batch in this section is the cannabis produced from one plant
- (2) If the cannabis plant yields less than 6 ounces of dried cannabis, testing is not required
- (3) The amount that shall be tested is no less than 1 gram per plant

“(d) A Cottage Industry License shall have four (4) tiers

- (1) Tier 1, which allows licensee to grow up to 24 cannabis plants
- (2) Tier 2, which allows licensee to grow up to 48 cannabis plants
- (3) Tier 3, which allows licensee to grow unlimited number of plants within a contiguous footprint of no larger than 20'x20'
- (4) Tier 4, which allows licensee to grow unlimited number of plants within a contiguous footprint of no larger than 40'x40'
- (5) ABCA shall make fees for each of these Tiers no less than \$42 and no more than \$420 dollar

“(e) Adults who are not permitted to grow or choose not to grow cannabis at their primary residence may join a “Cooperative Grow,” with one or more adults, who do not live in the resident’s home.

- (1) A “Cooperative Grow” is permissible with any tier of Cottage Industry License
- (2) The annual fee for the “Cooperative Grow” Endorsement shall be no more \$420 per year and shall be paid by the owner or lessee of the home where the “Cooperative Grow” is registered
- (3) The “Cooperative Grow” Endorsement shall be posted with 15’ of the cannabis plants
- (4) Any adult who joins a “Cooperative Grow” must sign an affidavit stating that they are participating in the “Cooperative Grow” and are not growing cannabis elsewhere in the District of Columbia
- (5) The affidavit must be posted within 1 foot “Cooperative Grow” Endorsement
- (6) An adult who is a member of a cooperative grow is not permitted to grow cannabis at their own home

- (7) An adult who is found to be growing cannabis at a cooperative grow and their own home may be fined no more than \$420
- (8) No more than 4 adults, who do not reside at the home with “Cooperative Grow” Endorsement, may join the “Cooperative Grow”
- (9) The adult who is the owner or lessee of the private residence where the “Cooperative Grow” is registered may charge members of the “Cooperative Grow” the costs associated with electricity, water, and rent.

“(f) ABCA shall be required to inspect, on an annual basis, the residence of a Cottage Industry Licensee to ensure the License is posted within the home, the licensee is compliant with section (d) and (e), and the cannabis is being grown in a safe & lawful manner

“(g) ABCA may visit the home of Cottage Industry Licensee unannounced during normal business hours

- (1) If no one is home, a warning will be provided by certified mail
- (2) After the second attempt to inspect premises is denied or prevented due to resident not being home, ABCA has the discretion to revoke the Cottage Industry Licensee
- (3) Licensee may protest revocation of license with OAH and if successful have license reinstated

“(h) A Cottage Industry Licensee shall allow the holder to utilize their home as a storefront or to conduct business in which no more than 4 adult customers, who do not reside in the home, may enter the home on a daily basis.

- (1) After an ABCA investigation finds more than 4 individuals, who do not reside in the home, and are not members of the “Cooperative Grow” visit the licensed home on a daily basis, ABCA shall issue a warning by certified mail
- (2) After the warning is issued and another ABCA investigation finds more than 4 individuals, who do not reside in the home, and are not members of the “Cooperative Grow” visit a licensed home on a daily basis, then ABCA shall have the authority to revoke the Cottage Industry License and the licensee shall not be able to apply for new license for one calendar year from the date of the revocation

Additional requested change to the bill based on DCMJ’s three part public reading of the entire bill.

Number refers to line

LINE 8 - 13: A licensee shouldn’t have to wait 2 years to apply for on-site consumption.

(b) Smoking in public spaces should be allowable wherever cigarette, cigar, and tobacco can be smoked.

LINE 38, and 18, [386 397, etc]

after “Social Equity Applicants” add “and for Inclusion of Women” “define inclusion”

LINE 158 - Resident of impacted area for at least 2 years.

LINE 210 - Cannabis should be able to be sold in glass or clear containers so that customers can view the cannabis before it is purchased.

LINE 210 ... This is important. We visited New England states with legal cannabis sales this summer and frequently couldn't see the flower we were buying. At some places, all that was available was a menu. Couldn't see the bud at all. This is a problem.

307 - DCMJ engages in advocacy and has given out joints to people who show up at our demonstrations and even at Covid vaccination centers. Why can't cannabis be used in advocacy, it already is and to restrict is an infringement on free speech rights for cannabis organizations.

308 etc - As people who are building a business on the Initiative 71 loophole, we believe the "gifting" loophole should be stopped. But the entry costs must be reasonable, especially for those from disadvantaged areas.

325 - Cannabis Equity and Opportunity Fund should be seeded funded with money from MPD budget in order to enable operation of the fund at the outset of the legislation being enacted

353 - How do you help SEA's BEFORE the revenue is captured?

392 - Amend so for every social equity application business that is sold, a new social equity license needs to be made available.

477-no sales tax on medical as incentive for customers

480- There should be Nursery License included in this section – A business that only provides juvenile plants to wholesalers. Does not sell retail, doesn't grow to flower. The Seed To Sale tracking system does not work if you are cloning, as there are no seed. In order to standardize large quantities of cannabis plants, preserve genetics and guarantee free from contamination, there is going to need to be micropropagation (cloning in test tubes). Seed to Sale is an issue both because there are no seeds, and because there is expected die off with seedlings

492 - The types of cultivation center licenses need to spelled out in the law. There is only one cultivation center license for \$7,000.

508 - There needs to be more than one microbusiness license. A 3,000 square foot license or a 300 square foot license should cost less

544 - This section is overly restrictive. Adults should be able to consume cannabis any place where tobacco can be consumed.

552- Testing Facility License – There is no clause specifically allowing the business to charge for services

565- Research And Development Facility License – There is no clause specifically to allow commerce for services

666- Drop the section requiring 60% local ownership.

666- Make the ownership requirement apply to medical dispensaries too

697 - Except medical marijuana opps?

825“(c) The Board shall provide notice in the D.C. Register at least 30 days in advance of
826 accepting any new applications, except for testing facility licenses, regarding (1) the number of
827 licenses in each class or ward being made available, and (2) where to find information regarding
828 the license application process.

I can understand the need to 1631 - quickly add more testing facilities, but I don't know why (2) is necessary, I would like to know who else is applying

848 - No application fee

855 - Change fees add more categories. Cottage Industry Licenses.

870 - Create more license categories now

926 - REMOVE - We can look into liquor stores. Why are hiding cannabis? We can go inside of breweries to see the beer being brewed, why not be able to see cannabis?

929 - MPD should not have access to company books without a warrant.

938 - Currently cannabis is sold without testing, so a testing facility must be made operational ASAP

959 - Why not have the same hours as alcohol sales?

988 - The amount of THC in infused foods should be higher.

1008 -- More cannabinoid information should be made available. Not just THC & CBD

1023 -- REMOVE - Free Speech

1025 - Liquor stores have neon lights - Why should cannabis be treated differently?

1034 - REMOVE - Arbitrary

1043 - REMOVE - Billboards are normal marketing for alcohol businesses

1075 - REVISE -- too vague. Under the influence of what?

1079 - A child can go into a liquor store with a parent, why not a dispensary?

1100 - An 18 year old can serve alcohol in DC, why not be able to work at a dispensary? Or if you a medical card holder between 18-20, why not be able to work or volunteer?

1630 - amends the DC code on prohibited acts to allow the transfer of ONE clone, regardless of weight

1631 - Adds language to the DC Code prohibited act section to allow growing outdoors at your principal residence.

1170- a business won't know if someone is a section 8 voucher holder.

1307- 18+ or 19 if still in high school.

1354- Strike. Especially Perez any woman abc alcohol with cannabis education.

1364- No tax on medical cannabis. Seriously ill people should not be taxed and it would help the medical program to gain more customers if there were no tax on medical

1438 Strike

1478- Expunge any cannabis related conviction regardless of other charges

1495- very confusing

1500- Strike makes no sense when employers can't discriminate

1510- Is subjective and about alcohol not cannabis.

1530- Employers good faith? Strike

1554 and 1551 -this is good but if you are in medical program, you should be able to use cannabis

1630-clones should be 6/12

1632-GREAT!! But should be allowed access from the street if it's locked

November 18, 2021

The Honorable Phil Mendelson, Chairman, Committee of the Whole
The Honorable Kenyan McDuffie, Chairman, Committee on Business
And Economic Development
The John A. Wilson Building
1350 Pennsylvania Avenue NW
Washington, DC 20004

Dear Chairman Mendelson and Chairman McDuffie:

DC
Bill 24-113 24-118

Thank you for affording me the opportunity to present feedback and suggestions for the proposed bills. As a long-time resident of DC, an active member of the local community and a therapeutic-cannabis advocate, my input spans from many years of working with different professionals within the cannabis industry. While much of the bills approach many of the regulatory environment successfully, I hope that my overall understanding of the industry will help provide you with first-hand experiences that may help shape the proposed bills.

Summary:
Suggested amendments to the proposed bills 24-113 and 24-118 that pertain to micro-entities and cottage industry-sized businesses.

- Goals:**
- To demonstrate the impact of the proposed bills on micro-entities, as well as specialty-cottage entrants.
 - To identify the economic and regulatory factors that impact micro-entities, with respect to Bill 24- 113, the "Medical Cannabis Amendment Act of 2021" and Bill 24-118, the "Comprehensive Cannabis Legalization and Regulation Act of 2021”.

- Suggested Amendments:**
1. Distance from Schools & Recreational Centers. *Ref: Regarding the provision (§25-2308*
 2. Growth of the Cottage Industry. *Ref: Regarding the provision (§25-22XX)*
 3. Regulation of Medical Cannabis Licenses. *Ref: Regarding the provision (§25-2101)*
 4. Taxation on Medical Products. *Ref: Regarding the provision (§25-3001)*
 5. Licenses for R&D and Nurseries.
 6. Creation of Regulatory Measures for Cannabis Products.
-
- 1. Distance from Schools & Recreational Centers. (lines 770-774)**
Increasing the distance from 300ft to 400ft from a school or recreational center places a huge burden on micro-entities within the DC area. The close proximity of public buildings, within DC does not allow for many locations in which to set-up a medical cannabis facility. For large-scale, small and micro-sized entities, the cost of renting a location becomes prohibitive. Landlords that may possess a viable location can push for a high and unreasonable cost for renting.
 - 2. Growth of the Cottage Industry.**
The current bill does not address the needs nor does it recognize the cottage industry entrant. Other states in which legislation allows for Legal Cannabis business recognize the Cottage-sized businesses, e.g. California have licensing and regulations that apply to cottage industry applicants.
 - 3. Regulation of Medical Cannabis Licenses.**
Increasing the number of licenses for cultivation and dispensaries can help alleviate any bottlenecks and allow for the medical cannabis program to flourish prior to full-scale cannabis adult-use adoption.
 - 4. Taxation on Medical Products.**
Medical products are not taxed. This rule of taxation law should apply to medical cannabis also.
e.g. California, Connecticut, Louisiana, Maryland, Massachusetts, and Minnesota New Hampshire, Pennsylvania, South Dakota, Utah, Vermont do **NOT** apply tax for medical cannabis.
 - 5. Licenses for R&D and Nurseries.**
In order to maintain tax revenue for the city and also ensure that cultivators are able to survive on a reliable income, licenses for both micro and larger scale licenses are required. Nursery licenses ensure that cultivation centers can sell directly to I-71 growers. R&D licenses will allow for entities to compete on a national level.
 - 6. Creation of Regulatory Measures for Cannabis Products.**
There is no current testing method to ensure the safety of the cannabis product. Testing will identify the levels of plant growth regulators, pesticides, herbicides, and microbials that could compromise the health of the consumer.

This act provides the optimal platform for a successful roll-out of cannabis related businesses in DC. By applying a regulatory framework that addresses the needs of not only micro and cottage sized businesses it enables the quality of the therapeutic medical cannabis available for adult consumption. The application of this Act will enable the end of the gray market and also help those members of the community who have been identified by the social equity bill. I thank the council for the opportunity to provide input, in order to better the current legislation under consideration.

Respectfully Submitted,

Alan Amsterdam,
Certified Ganjier, Owner of Capitol Hemp & Co-writer for proposal of Initiative 71, first and only American Citizen to solely own a Coffee-Shop in Amsterdam, The Netherlands. Visit capitolhemp.com for a comprehensive history.

WRITTEN TESTIMONY OF LISA SCOTT DC CANNABIS BUSINESS ASSOCIATION

Before the Committee of the Whole, the Committee on Business and Economic Development, and the Committee on the Judiciary and Public Safety's upcoming hearing on:

- Bill 24-113, Medical Cannabis Amendment Act of 2021
- Bill 24-118, Comprehensive Cannabis Legalization and Regulation Act of 2021

Thank you Councilmembers and members of the committees holding this hearing concerning adult-use sales of cannabis. My name is Lisa Scott, president of DC Cannabis Business Association.

The DC CBA was created to serve the specific needs and concerns of local, self-employed and potential ganjapreneurs in the District of Columbia. The association promotes the local industry, advocates for legislation and regulation, and provides educational opportunities for its members. Unfortunately, it's been several years of waiting for the laws to change and the business licensing to begin so that we can be active in the community.

What is most important for you to know is that we have been fully engaged and testing the waters while patiently waiting for the roll out to begin. We know what is needed to create this new industry while being socially conscious of the needs of the local entrepreneurs (current and potential) who want A FAIR SHOT.

The Big Lie

BIG PHARMA

We ALL have been lied to for our entire lives. We have completely been told that the little white pills created by the pharmaceutical industry are the panacea for all of our ills. While big pharma is an enormous industry created by man, Mother Nature has been forgotten. When was the last time your doctor asked you about your diet and bowel movements? They don't. They just feed you pills to make you temporarily feel better... and get us hooked thinking this is what we need to survive and live well. This is exactly the kind of thinking that has led to the opioid crisis.

THE CANNABIS PLANT IS MOTHER NATURE

We all know that phrase, "An apple a day keeps the doctor away." But people are not growing apple trees in their back yards for their health. We're growing CANNABIS for our health and well-being. It's safe, effective, and natural. Don't be afraid of it. What you might fear was created by racist men who wanted to put black and brown people in prison. They were wrong. You know it. Now, embrace that knowledge and drop the fear. No one is dying from cannabis. If one over-indulges in cannabis, they don't call 911. They call for pizza delivery. That's good for the economy. OR they just sleep it off. But then they wake up feeling like they had the best sleep they've ever had in their life. What dreams are made of... that's what that is. So - drop the fear and read on.

COMPARE CANNABIS

OVER THE COUNTER VITAMINS & MEDICATION

Adults can freely buy their medication without any doctor consultation at any grocery store or pharmacy. They can choose their strength. There is no limit to how much they can buy and hold in their possession. CANNABIS should have the same freedom.

BEER, WINE, ALCOHOL

Adults can freely purchase as much beer, wine, and spirits (even 190proof everclear) as they want without anyone knowing or caring. Adults can choose. It's a freedom we should afford CANNABIS as well. We should be free to purchase as much as we want, when we want it, store as much as we want... and by whoever grows what we need. Regulate CANNABIS the same way you do beer, wine, and alcohol.

CIGARETTES & CIGARS

Adults should be allowed to indulge in smoking CANNABIS in the same locations, indoor or outdoor that allow tobacco products. The need for consumption lounges is vital, especially for tourists and people who live in government housing, but also adults should be free to socialize with others while smoking CANNABIS.

Cannabis EDIBLES



Start with One Serving
Start with a low-dose or single serving product until you know how edibles will affect you.



Wait
Edibles can take up to 2 hours or longer to take effect.



Don't Mix
Edibles should not be mixed with alcohol or controlled substances.



Out of Reach
Keep away from children, pets or ANYONE under 21, and store in original packaging.

MEDICAL DISPENSARY EDIBLES

The regulations you designed for the Medical Marijuana program needs to be revised. Cultivators are growers. They are not cooks, bakers, or chefs. And their warehouses are not equipped with commercial kitchens. The program needs to allow offsite production of edibles and/or allow for independent contractors to provide edibles for medical dispensaries. You have the power to change this.

NOT EVERYONE WANTS TO SMOKE

Cannabis edibles are in high demand because a lot of people want the benefits without having to smoke. A cancer patient who was just diagnosed at 60 doesn't want to start smoking. And one can indulge in places where smoking is not allowed.

Everyone's needs and tolerance levels are different. Edibles can come in various doses to accommodate which is ideal for first timers and old timers.

Like spirits, alcohol has mixers to make them more palatable. Cannabis has candies, baked goods and other transformations to make it easier to take.

Multi-level Small & Micro Licenses

Cultivators: multiple tiers based on plant count and/or square footage of grow area, seed sellers, farmers market, and nursery licenses

Manufacturers: multiple tiers: extractors, edible-makers, concentrate makers/cartridges for vaping, etc...

Retailers: multiple tiers based on size and type of establishment

Events: multiple tiers to include: festivals, one day event, catering, consumption lounges, tourists companies, bed and breakfasts, cafes and restaurants

Cottage Industry and Co-operatives: Not everyone wants to be big or do this full-time. Some of these licenses should have a co-op clause or allowance. And cottage industry licensing is ideal for many micro businesses.

NOTE: the license fees for all of these should be comparable to the multiple levels given to beer, wine, and alcohol licenses. These licenses permit business to sell and deliver.



A FAIR SHOT can only be accomplished if we roll it out right from the very beginning.

Social Equity needs affordable access for anyone who wants in. No barriers. Keep out interstate deep pockets. Go loco for local.



Immediate Expungement



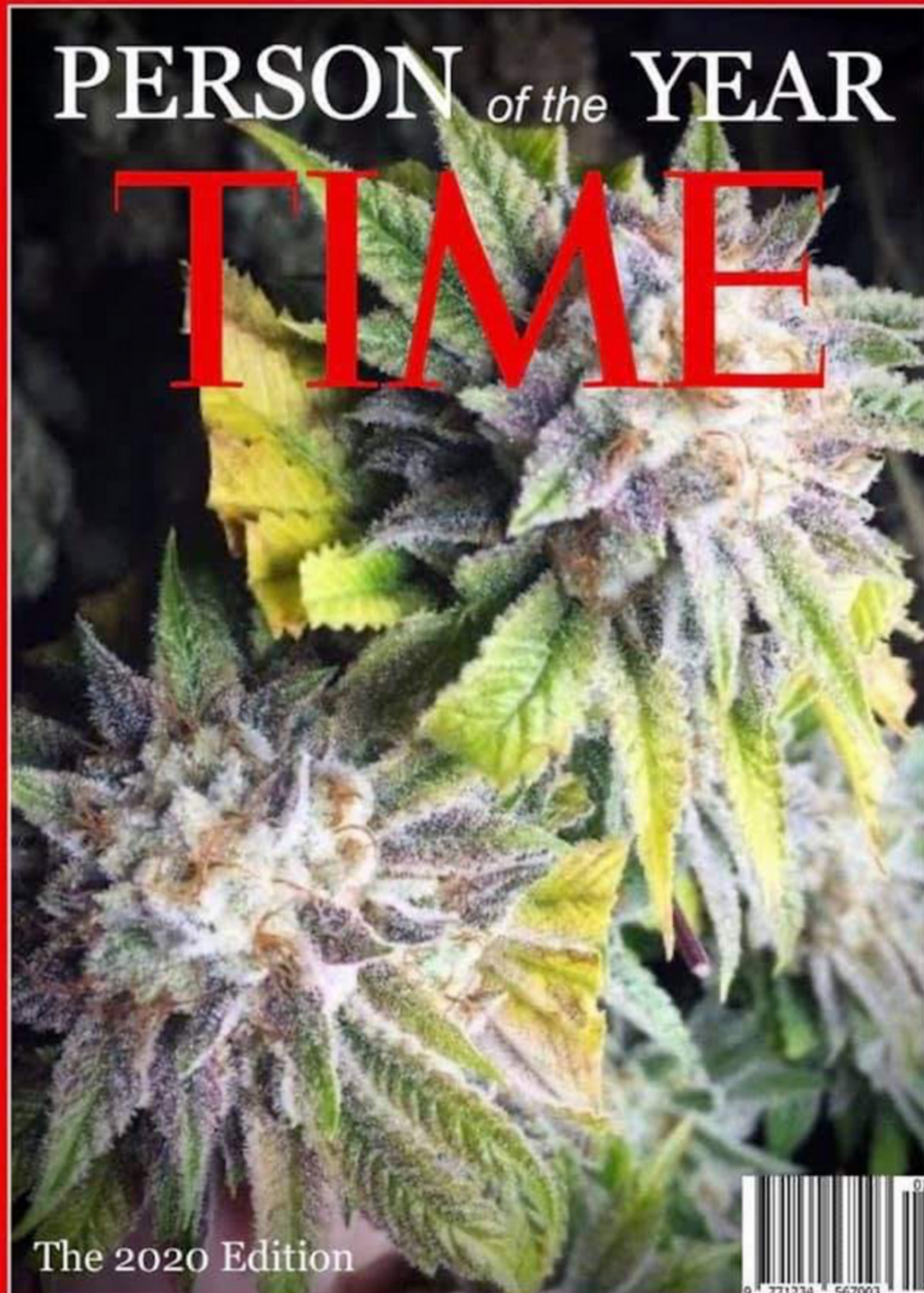
**The need
to hire an
attorney
and file a
motion is
WRONG!
Just let
them free.**

CRAFT CANNABIS



Community Reinvestment

With access to affordable cultivation licenses local farmers can and should be allowed to supply the demand of cannabis to both medical and adult use retailers. Let's see what we can do by giving us A FAIR SHOT. Indoor, Sungrown, Co-operatives, and Community Gardens should be considered.



The Time is Now!

The residents of DC and potential gangapreneurs have already waited 7 years for the laws to change. Once they do and a cannabis retail licensing comes into play, there is no need to make us wait another 2 years to enter the industry. Open the doors right away. Do NOT violate Antitrust laws by only allowing a select few to participate in this emerging and lucrative industry. We want A FAIR SHOT! Competition is the American way and will improve the cost and quality of the product for the consumer.

CONTACT ME WITH QUESTIONS, SUGGESTIONS, OR CLARIFICATION

Lisa Scott, President of DC CBA

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Independent Research. Poverty Solutions. Better DC Government.

**Testimony of Doni Crawford, Senior Policy Analyst
At the Public Hearing on the Medical Cannabis Amendment Act of 2021 and
the Comprehensive Cannabis Legalization and Regulation Act of 2021
Committee of the Whole, Committee on Business and Economic Development, and
Committee on Judiciary and Public Safety
November 19, 2021**

Good morning, Chairpersons Mendelson, McDuffie, Allen, staff, and members of the Committees. Thank you for the opportunity to testify today. My name is Doni Crawford, and I am a senior policy analyst at the DC Fiscal Policy Institute (DCFPI). DCFPI is a nonprofit organization that promotes budget choices to address DC's racial and economic inequities and to build widespread prosperity in the District of Columbia, through independent research and policy recommendations.

Today, my oral testimony will focus on B24-118, the Comprehensive Cannabis Legalization and Regulation Act of 2021. My written testimony includes recommendations on strengthening B24-113, the Medical Cannabis Amendment Act of 2021, as it will likely be enacted first—presenting us with the immediate opportunity to continue making improvements to our existing cannabis market.

DCFPI applauds the hard work and intentionality that went into making this cannabis legalization and regulation bill, which is arguably the best in the nation. When we were all having conversations last year on how to incorporate racial equity as a key focus of DC government, *this* bill is an example of what that looks like in the legislative design of public policy. It may have taken more than a year to collaboratively engage with stakeholders, but it is undoubtedly worth the extra time and work to get this right, and I hope future bills are crafted in a similar way.

In a report this spring, DCFPI wrote about how the DC Council can usher in a restorative and racially inclusive recreational cannabis industry for the Black and brown communities most harmed by criminalization and the failed War on Drugs.¹ These guiding principles are to address historic and current harm; design a cannabis industry that fosters racial inclusion; and, devote cannabis tax revenue to build community wealth. This bill follows these principles in a number of ways including by automatically expunging most cannabis-related arrests, prosecutions, and convictions; setting aside half of all available licenses created by the bill to social equity program participants and setting up a dedicated funding stream to support them; and, thinking through what allocating half of cannabis sales tax revenue toward community reinvestment could look like as a part of this process.

To make this bill even stronger, DCFPI makes a number of recommendations, including the following three core recommendations:

- Strengthen the social equity provisions to prioritize licenses for returning citizens, and allow them to fully participate in the industry as employees and owners without any restrictions;

- Devote *all* cannabis tax revenue and licensing fees (none to the General Fund) to the social equity program, community reinvestment, and assistance for returning citizens; and,
- Modify the Community Reinvestment Program Fund to entirely support direct, unrestricted cash assistance to returning citizens, their families, and Black and brown communities harmed by criminalization and the failed War on Drugs, making DC one of the first cities in the nation to structure their fund in this way.

Understanding the History of Cannabis Policy Elucidates the Need for Us to Get This Right

The history of cannabis criminalization is rooted in racism and intentional efforts to harm Black and brown people. For many thousands of years, Eastern cultures used cannabis for a variety of purposes. Hemp fiber from the plant was used to make clothing, rope, paper, canvas, sails, and shoes. People also used cannabis during religious ceremonies, as an anesthetic for surgeries, and as a psychoactive.² But early racist associations in the US connecting cannabis usage to imagined violence in Mexican, Japanese, and Black communities laid the groundwork for cannabis prohibition and the “war on drugs”—both of which fueled unjust over policing and mass incarceration of Black and brown people.³ Criminalization directly harmed many Black and brown families’ ability to be hired for a job, secure housing, receive federal financial aid for higher education and financial assistance to support their family, drive, own a business, vote, etc.⁴

This history of injustice has carried over into present-day racial inequities. Today, Black ownership of storefront cannabis dispensaries is estimated to be around one percent nationwide.⁵ Another national survey found that the percentage of Black and brown people that have launched a cannabis business and/or have *any* (not controlling) ownership stake in a cannabis business, is slightly higher at four and six percent, respectively.⁶ And unjust policing and the criminalization of Black people continues today. In DC, Black people continue to make up 89 percent of all cannabis-related arrests both before and after legalization, according to a recent Washington Post study.⁷

Now is the time to atone for these historical and ongoing injustices by ushering in a new cannabis industry rooted in racial equity and racial justice.

B24-118: Comprehensive Cannabis Legalization and Regulation Act of 2021

Strengthen Social Equity Provisions to Prioritize Licenses for Returning Citizens

The Comprehensive Cannabis Legalization and Regulation Act of 2021 commendably establishes a social equity program that intends to foster racial inclusion by defining social equity applicants as applications with 60 percent ownership and control by DC residents who have resided for at least 10 of the last 20 years in a disproportionately impacted area or have been arrested or convicted of any offense that is eligible for expungement under this bill and/or are members of an impacted family. The social equity program would set aside half of all available licenses created by the bill to program participants; require the Alcohol Beverage and Cannabis Administration (ABCA) Board to only consider license applications by social equity applicants and medical cannabis establishments for one year; waive 75 percent of any nonrefundable fees for applicants; and require ABCA to create a public data portal to track program progress and efforts to achieve racial inclusion.

Earlier this year, the Council considered emergency legislation that would have set aside medical licenses and provide preferences for businesses with at least 51 percent ownership by one or more returning citizens previously incarcerated for the manufacture, distribution, or possession, with intent to manufacture or distribute a controlled substance.⁸ While the bill did not advance, it did generate discussion on how to broaden equity for returning citizens in the cannabis industry in the future.⁹

DCFPI developed a few ideas for prioritizing returning citizens in the cannabis industry and includes them here for Council consideration:

- Allow solely social equity applicants, especially those with ownership by people who have been arrested or convicted of any offense that is eligible for expungement under this bill, to receive license consideration in the first year following the issuance of final regulations;
- Expedite applications with ownership by people who have been arrested or convicted of any offense that is eligible for expungement under this bill;
- Set aside half of the social equity licenses for applicants with ownership by people who have been arrested or convicted of any offense that is eligible for expungement under this bill;
- Only allow delivery endorsements to be set aside for social equity applicants and/or applicants with ownership by people who have been arrested or convicted of any offense that is eligible for expungement under this bill (this may require creating a delivery license category because currently, only off-premises retailer or microbusiness licensees may obtain delivery endorsements); and/or,
- Consider expanding these protections to people who have been arrested and/or convicted of cannabis-related offenses, their families and the families of returning citizens, and long-term residents of overpoliced communities, particularly when cannabis was criminalized.

Additionally, the bill states that a prior drug possession conviction cannot be the sole ground for denial of a license. As a result, criminal records can still be considered and used against returning citizens and/or people directly impacted by past drug prohibition. The Council should eliminate this language to allow their full participation in the industry and eliminate any stigma that might infuse the process with bias that limits how many impacted people get a license.

Devote *all* Cannabis Tax Revenue and Licensing Fees to Social Equity, Community Reinvestment, and Returning Citizens

As proposed, the Comprehensive Cannabis Legalization and Regulation Act of 2021 would devote 50 percent of cannabis sales tax revenue to the Community Reinvestment Program Fund, 30 percent to the Cannabis Equity and Opportunity Fund, and 20 percent to the General Fund. Additionally, only the initial licensing and permitting fees would be deposited into the Cannabis Equity and Opportunity Fund, while the revenue from the renewal of licenses and permits, and penalties and fines, would be deposited into the General Fund. Until we ensure that this industry is as restorative and racially inclusive as possible, all monies should be deposited into dedicated funds to support that purpose. Additional uses of the revenue outlined above could also include setting aside revenue to support civil legal services and pay legal fees for DC residents filing a petition to have their record expunged, vacated, or set-aside as authorized under this bill. The revenue can also assist them with potential time lost from work when meeting with representation from the Public Defender Service and other firms, and other unexpected costs.

Modify the Community Reinvestment Program Fund to Entirely Support Direct, Unrestricted Cash Assistance

As designed, the Community Reinvestment Program Fund would provide grants to community-based organizations that address an excessively broad range of issues including economic development, mental health treatment, substance use disorder treatment, non-law enforcement violence prevention services, homeless prevention services, re-entry services, youth development, and civil legal aid in eligible program areas. A mayor-appointed Community Reinvestment Program Board—made up of community-based organizations, returning citizens, community members, and government officials—would be responsible for selecting grantees.

DCFPI supports the allocation of 50 percent of cannabis sales tax revenue toward community reinvestment, but the revenue should be used to explicitly benefit individuals and communities disproportionately targeted and harmed by criminalization of cannabis and the failed War on Drugs. DC should seek to be one of the first cities in the nation to pursue a robust and restorative, direct, unrestricted cash assistance program with cannabis tax revenue as a result of legalization. To date, a national scan of state and local cannabis reinvestment efforts yields just two noteworthy examples along these lines:

- Evanston, Illinois: The most well-known cannabis reinvestment effort. The city dedicated the first \$10 million of its Municipal Cannabis Retailers' Occupation Tax toward reinvestment, starting with a \$400,000 homeownership grants program.¹⁰ This program also accepts private donations to grow the fund. It still has shortfalls as a model as it dictates allowable uses for the fund and seeks to pursue broader restitution than just remedies for the failed War on Drugs.
- Cambridge, Massachusetts: Unlike in Evanston, this planned program will be designed as restitution for the racist War on Drugs. The program details are still in development but will include setting aside a percentage of local cannabis sales to be distributed to “current and former Cambridge residents who have been harmed by the war on drugs, with a targeted launch date of July 2022.”¹¹

In DC, the proposed Community Reinvestment Program Board could help design and shape how a cash assistance program would be structured, including by:

- Defining eligible recipient criteria – i.e., use the criteria for a social equity applicant or develop a new, more tailored category of eligible recipients;
- Determining payments – i.e., one-time lump sum vs. quarterly payments;
- Designing program intake – i.e., assess whether there is data available, such as arrest and conviction data, to proactively reach out to individuals and not require everyone to apply for assistance;
- Consider whether to allow private donations – i.e., assess whether private businesses, individuals, and organizations will be able to contribute to grow the fund;
- Exempt assistance from local DC income taxes for recipients with moderate and low incomes, and protect individuals from losing access to other income supports, such as TANF – i.e., legislating exemptions when possible, pursuing federal waivers as needed, and

setting aside funding for a counselor to help individuals understand how receiving the cash assistance would affect their other benefits; and,

- Deciding whether to partner with non-governmental partners to deliver cash assistance – i.e., similar to how the DC CARES cash assistance program for excluded workers currently operates.

B24-113: Medical Cannabis Amendment Act of 2021

Strengthen Employment and Entrepreneurship Opportunities for Returning Citizens

The Medical Cannabis Amendment Act of 2021 would improve the existing medical cannabis program by: renaming and using the race-neutral scientific term of “cannabis” throughout DC Law and DC Code; expanding where qualifying medical cannabis patients can obtain their medication; allowing for safe use treatment facilities at dispensaries; and removing some prohibitions on returning citizens’ ability to work and own in the industry. However, the proposed bill would still prohibit individuals with certain felony convictions within the last three years from applying to be a director, owner, officer, or agent of a dispensary, cultivation center, or testing laboratory.

The District should not discriminate against individuals with criminal records for cannabis-related offenses. These individuals have already faced consequences and the District does not need to enact a second form of punishment. For some, their prior involvement with cannabis could potentially bring some level of skill and expertise. And for those individuals who are returning citizens, it would benefit the District, communities, and families to help them reintegrate into society rather than erect additional barriers to their success. These individuals should have an opportunity to make a living and share in the prosperity of the new industry.

As B24-113 will likely be enacted before B24-118, DCFPI recommends that the Council include entrepreneurship protections for all returning citizens and people with certain felony convictions in the medical bill. They should amend existing B24-118 language to ensure that in both bills, prior convictions cannot be considered at all and used against returning citizens and people directly harmed by past drug prohibition who want to pursue licensure. Additionally, as with B24-118, it is worth considering prioritizing licensure applications by returning citizens either through set asides or expedition.

Continue to Monitor the Placement of Cannabis Facilities in Communities and Make Legislative Changes as Needed

The District should continue to monitor the placement of cannabis dispensaries and cultivation centers to ensure equitable access and fair distribution in communities. Currently, there are seven operational cannabis dispensaries in the District. However, prior to the opening of the last two dispensaries in wards 7 and 8, registered medical cannabis patients living east of the Anacostia River had to travel far to receive their medication.¹² The District commendably increased the cap on the number of dispensaries from five to seven and required that the additional two dispensaries be located in wards 7 and 8. And largely due to zoning requirements that dictate where cultivation centers can be housed for the medical cannabis program, six of the eight cannabis cultivation centers are located in ward 5.^{13, 14} Community concern about this overconcentration prompted DC Council changes that limited the number of cultivation centers by ward.

The Medical Cannabis Amendment Act of 2021 would allow the mayor to increase the number of dispensaries in DC from 8 to 16 by rulemaking and increase the number of dispensaries to 2 from 1 in any ward in which 5 or more cultivation centers have been registered to operate. This will likely assist in opening up the recreational market opportunities whenever B24-118 is enacted. But in the future, the District should use similar reflective decision-making to ensure equal access to dispensaries and fair distribution. For example, there are currently no dispensaries and cultivation centers located in Ward 3 while Ward 5 is home to 75 percent of DC's cultivation centers. The District can make further legislative changes or add prioritizations to future Alcohol Beverage Regulation Administration (ABRA) regulations to ensure that no scarcity remains in wards.

The Council can further preempt any traditional Not-In-My-Backyard (NIMBY) roadblocks by partnering with the Office of Planning to approve zoning changes that lead to fair cannabis distribution and access across the District. Additionally, it will be important to always consider whether the cost of land and property in some wards limit distribution and equitable access to the industry and make ward caps potentially more harmful than helpful. And any future dispensary and cultivation center placement in wards 7 and 8 specifically should be paired with significant anti-displacement strategies and local hiring practices to mitigate the negative effects of economic development, and rising land costs and property values.

Thank you for the opportunity to testify and I am happy to answer any questions.

¹ Doni Crawford, [First in Line: Why the District Must Take a Reparative Approach to Recreational Cannabis Policy for Black and Brown Communities](#), DC Fiscal Policy Institute, February 16, 2021.

² Barney Warf, [High Points: An Historical Geography of Cannabis](#), *Geographical Review*, 104 (4): 418-421, October 2014.

³ Eric Schlosser, [Reefer Madness](#), *The Atlantic*, August 1994 Issue.

⁴ U.S. Commission on Civil Rights, [Collateral Consequences: The Crossroads of Punishment, Redemption, and the Effects on Communities](#), June 2019.

⁵ Amanda Chicago Lewis, [America's Whites-Only Weed Boom: How Black People are Being Shut Out of America's Weed Boom – Whitewashing the Green Rush](#), BuzzFeed News, March 16, 2016.

⁶ Marijuana Business Daily, [Women & Minorities in the Marijuana Industry](#), September 2017, pg.10

⁷ Paul Schwartzman and John D. Harden, [D.C. legalized marijuana, but one thing didn't change: Almost everyone arrested on pot charges is Black](#), *The Washington Post*, September 15, 2020.

⁸ Council of the District of Columbia, [Returning Citizens Cannabis Equity Emergency Amendment Act of 2021](#), B24-0221, May 4, 2021.

⁹ Gaspard Le Dem, [D.C. Councilmember Withdraws Bill Prioritizing Formerly Incarcerated Entrepreneurs In Cannabis Industry](#), *The Outlaw Report*, May 5, 2021.

¹⁰ Erika Storlie, [Resolution 126-R-19, Establishing a City of Evanston Funding Source](#), City of Evanston, November 25, 2019.

¹¹ City Clerk's Office, [Policy Order - POR 2021 #166](#), City of Cambridge, September 13, 2021.

¹² Martin Austermuhle, [Second Marijuana Dispensary Opens East of The Anacostia River In D.C.](#), WAMU, August 15, 2019.

¹³ Alcoholic Beverage Regulation Administration, [Medical Cannabis Program Update](#), January 27, 2021.

¹⁴ Martin Austermuhle, [No Medical Marijuana Cultivation in Ward 7! D.C. Council Moves Against Hopeful Cultivator](#), DCist, March 20, 2012.



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**Testimony of Michael Johnson, Policy Analyst
At the Public Hearing on Bill 24-118, The Comprehensive Cannabis Legalization and
Regulation Act of 2021
Committee of the Whole, Committee on Judiciary and Public Safety, and Committee on
Business and Economic Development
November 19th, 2021**

Chairman Mendelson and members of the Committee, good afternoon and thank you for the opportunity to speak with you today. My name is Michael Johnson Jr., and I am a Policy Analyst at the DC Fiscal Policy Institute. DCFPI is a nonprofit organization that promotes opportunity and widespread prosperity for all residents of the District of Columbia through independent research and thoughtful policy solutions.

I am honored to discuss the record relief provisions within B24-118, The Comprehensive Cannabis Legalization and Regulation Act of 2021. DCFPI supports many provisions included in the comprehensive cannabis bill, such as: creating a streamlined and automatic expungement process for DC cannabis-related arrests, prosecutions, and convictions; and dedicating tax revenues toward individuals and communities most harmed by the failed War on Drugs.

The comprehensive bill is a crucial first step toward repairing the harms caused by decades of unjust cannabis criminalization and enforcement—particularly for DC’s Black residents. However, there are several components of this bill that should be strengthened to minimize the devastating effects of collateral consequences for those engaged in the market prior to legalization. I recommend that the comprehensive bill:

- Set a target completion date for processing all DC Code cannabis-related offenses eligible for automatic expungement —ideally to be completed within 180 days of enactment;¹
- Dedicate a percentage of cannabis sales tax revenues towards providing financial and technical assistance to assist those filing a petition to have their cannabis-related offense expunged, vacated, or set-aside; and,
- Include a clear definition of expungement.

Collateral Consequences and the Need for Urgent Record Relief

Barriers to work make up one of the starkest collateral consequences that returning citizens and those with non-conviction records face, warranting special attention to an effective and timely expungement policy in DC. As of 2017, nearly 50 percent of all DC employment regulations outlawed hiring people convicted of felonies—many without regard to the type of offense committed, according to the Urban Institute.² Although the Council has lifted some of these restrictions since then, returning citizens and those merely arrested for cannabis-related offenses continue to face significant barriers in securing employment, housing, and other areas. The harm

bleeds into other aspects of life as well. Due to their prior records, DC Housing Authority regulations give public officials the opportunity to bar many returning citizens from subsidized housing, contributing to nearly 1 in 5 returning citizens experiencing homelessness within 3 months of release.³

As many states and localities enact cannabis legalization with varying degrees of success, the District has an opportunity to use the lessons learned and infuse true equity and restorative justice throughout a legal DC cannabis market. We can look to other states to see how cannabis legalization has failed to remove roadblocks adequately and quickly. For example, in some states, those who qualify for automatic expungement can wait up to 4 to 5 years after the enactment of their state's comprehensive cannabis legislation.⁴ This lengthy timeline is especially harmful given the continued barriers to employment, education, housing, and public benefits facing those convicted or merely arrested for engaging in acts which are no longer illegal.

Further, B24-118 authorizes a previous cannabis-related conviction to be used within determinations for granting cannabis licenses, although the proposed bill states that one's previous cannabis conviction cannot be the *sole* ground for denial of a license. To further advance equity for returning citizens within the adult-use market, the Council should prohibit in licensing determinations the consideration of previous felony convictions to minimize bias within the determination process.

In order to meet the urgency this issue deserves is to set a target completion date for processing all DC Code cannabis-related offenses eligible for automatic expungement — ideally to be completed within 180 days after its enactment. This could improve employment, educational, and other outcomes and help grow a stronger, more inclusive economy districtwide.

Greater Clarity & Funding for Record Relief Assistance

For DC residents filing a petition to have their record expunged, vacated, or set-aside as authorized under the proposed bill, this process is not only lengthy but can often be costly as well —as individuals often must take time off from work, may require legal assistance in completing a motion with the court, and can incur other unexpected costs. DCFPI strongly supports the automatic expungement provisions included within the proposed legislation and recommends that a percentage of cannabis sales tax revenue be set aside to assist those filing a motion for record-relief for cannabis-related offenses.

Moreover, the Council should include a clear definition of expungements within the proposed legislation to ensure that returning citizens are no longer barred from critical resources and opportunities. In discussions with organizational partners, advocates, and DC residents, many expressed the difficulties of distinguishing between expungement and sealing provisions within the DC Code. Given that record sealing allows entities and employers greater access to an individual's prior record, providing a clear definition of expungement is a necessary step toward ensuring that individuals have the broadest record relief available and minimizing the barriers associated with collateral consequences.

Within the Cannabis Regulation and Tax Act passed by Illinois in 2019, a definition of expungement is clearly provided which the District could look to include within this proposed bill. Their 2019 Act defines expungement as:⁵

“(E) “Expunge” means to physically destroy the records or return them to the petitioner and to obliterate the petitioner’s name from any official index or public record, or both. Nothing in this Act shall require the physical destruction of the circuit court file, but such records relating to arrests or HB1438 Enrolled LRB101 04919 JRG 49928 b Public Act 101-0027 charges, or both, ordered expunged shall be impounded as required by subsections (d)(9)(A)(ii) and (d)(9)(B)(ii).”

B24-113: Medical Cannabis Amendment Act of 2021

DCFPI recognizes the steps towards ensuring that returning citizens have equitable access within the medical market as proposed by the Medical Cannabis Amendment Act of 2021. The proposed bill currently would: allow all returning citizens to work within a medical dispensary and authorize those with only certain felony convictions the opportunity to obtain ownership within medical dispensaries, cultivation centers, and testing facilities.

Although the proposed bill increases opportunities for returning citizens to gain employment and ownership within the medical industry, DCFPI urges the council to remove the current exclusions preventing those convicted of certain felony offenses within the previous three years from gaining ownership within medical dispensaries, cultivation centers, and testing facilities. The District should look toward returning citizens with cannabis-related offenses as individuals who may offer valuable insight in the transition to a legal cannabis market and remove these barriers to ownership and wealth-creation.

Adopting Proposed Reforms to Advance Racial Equity

In the District, where Black people made up 89 percent of all cannabis-related arrests between 2015 and 2019 despite representing less than half of DC’s population, approaching comprehensive record relief with greater urgency and intentionality is a racial equity imperative.⁶ While the proposed bills are a step toward repairing the injustice of the drug war, DCFPI strongly urges the Council to adopt these proposed reforms to ensure those most harmed by cannabis criminalization have equitable opportunities to thrive and prosper.

Thank you for this opportunity to testify. I will be happy to answer any questions.

¹Councilmember Christina Henderson, [The RESTORE Amendment Act of 2021](#), April 2021.

² Marina Duane, Emily Reimal, and Mathew Lynch, [“Criminal Background Checks and Access to Jobs: A Case Study of Washington DC”](#), Urban Institute, July 2017, pg. 6.

³ Public Welfare Foundation, [“D.C.’s Justice Systems: An Overview”](#), October 2019, pg. 27.

⁴ State of Illinois, [Expungement of Minor Cannabis Offenses](#), 2020.

⁵ State of Illinois, [Cannabis Regulation and Tax Act](#), Public Act 101-0027, June 2019.

⁶ Doni Crawford, [Testimony of Doni Crawford for the Judiciary and Public Safety Hearing on the Record Expungement Simplification to Offer Relief and Equity Amendment Act of 2021](#), DC Fiscal Policy Institute, April 15, 2021.

November 19, 2021

Testimony of Lauren Berlekamp for the Council of the District of Columbia's Committee of the Whole, Committee on Business Development, and Committee on Judiciary and Public Safety, concerning Bill 24-113, Medical Cannabis Amendment Act of 2021, and Bill 24-118 Comprehensive Legalization and Regulation Act of 2021

Thank you Chairman Mendelson, Chairman Allen, and Chairman McDuffie and the rest of the DC Councilmembers present for holding this historic hearing today. Thank you to the Chairmen, Councilmembers, and their staff for writing these two pieces of legislation. I have been advising on cannabis policy reform since 2013 at local, state, national, and internationally as a patient advocate, and as a patient myself. I know many who have been illegally healed by cannabis, and I successfully manage symptoms of a very difficult to treat chronic inflammatory condition. I am privileged in my experience with a culturally dominant identity, my parents are both doctorates of pharmacy, and I've not personally faced discrimination for my use of the plant. I am very familiar with the plant, as I also organized successfully around the re-legalization of hemp in the US through various local, state, and national education campaigns; i have educated on the many uses of the plant, the differences between superfood and medical cultivars and their terpene and cannabinoid profiles; and have advised the industry extensively on organic integrity and certification in the marketplace to ensure consumer and patient safety.

My mother is a professor of pharmacy at University of Findlay in Ohio and for the last 6 years has been teaching medical cannabis to 400 and 500 level pharmacy students, and has written curriculum and peer-reviewed multidisciplinary continuing medical education on Cannabidiol (CBD) and medical cannabis, the endocannabinoid system, and US Patent 6630507. She provides the example of what happened to Zoey Carty as a cautionary lesson on the importance of testing and organic integrity for cannabis products, especially concentrates. As a patient and because of my work in cannabis reform policy, I have been a guest lecturer for the college on several occasions.

While these proposed policies are both powerful, there are some issues that must be addressed before moving forward. Expungement of cannabis related arrests and convictions, Amnesty for I-71 Gifting Shops and a pathway to apply for expanded licenses, Organic integrity and expanded testing for medical and home grow, Access to testing for those who want to test, Equity programs, Expanding access to licenses, Allowing for home growers to share their harvests beyond gifting, Allowing cooperative grows for adults who aren't able to grow in their homes to grow in someone else's house consensually, Creating the circumstances for outdoor cultivation of sun-grown cannabis, Public consumption, and Over the counter medical cannabis all must be considered.

Also, regarding the discussion and consideration on regulate the inclusion of hemp and cannabinoids (e.g., CBD), extracts, or derivatives of hemp in food and beverages, dietary supplements, cosmetics, and processed pet food provided that they, among other things, contain less than 0.3% THC, I ask that council members strongly consider looking at California's AB45 which was signed into law on October 6, 2021, by Governor Gavin Newsom.

I can't and don't drink alcohol due to my condition, and would love to be able to support establishments that serve superfood options like hemp-infused beverages and foods. Please find a way to allow restaurants, juice bars, tea houses, etc. to be able to sell and serve hemp-infused consumables. It would be an economic boon to a struggling DC restaurant industry and California's AB45 would be an appropriate guide on how to regulate this.

It wasn't until I became a resident of Washington, DC, that I was finally able to exercise the human right to grow my own medicine and treat myself, and I am deeply grateful that this community recognizes the importance of this. Home grow, meaning the power to grow your own knowing exactly how it was grown and what materials were used to produce it, is the safest grow and must be preserved in any legislation moving forward. The experience of gardening is a therapeutic experience, and to be able to grow a plant that is as therapeutic as cannabis and having access to fresh plant material you grew yourself is a birthright.

Immediate and automatic expungement for any cannabis-related arrest or conviction must be part of this legislation in order to achieve equity and justice for the harm done by the war on drugs. Not just sealing of records, but full deletion of these records. It should have never been prohibited in the first place and we must ensure that the communities most harmed by the war on drugs have equitable support to participate in the legal economy.

I believe the types of licenses being legislated is too limiting. Some states have dozens of types of licenses depending on the size and scale of the business. Right now in DC there are over 20 different types of alcohol licenses available, why not suggest over 20 different types of licenses in this statute? Such as a “Bud & Breakfast” license for AirBnB hosts, Nursery License to let adults buy cannabis seeds and clones of varying sizes from existing garden supply stores, on-site consumption license with food, with music, with alcohol, for small and large venues. I urge the Council to drastically expand the number of licenses being offered and lower the license fees. The costs for alcohol licenses should be the model. We want parity.

Also, I support the draft amendment for cottage industry licenses written by Nikolas Schiller of DCMJ. I believe it will provide a low-cost, low-barrier way for more adults to engage in the lawful cannabis market. Right now there are thousands of adults who are lawfully growing cannabis in their homes thanks to the rights afforded to them through Initiative 71. However, these adults have no way to lawfully sell their extra cannabis to other adults or licensed businesses. This proposed license provides a way for DC’s growers to do so at Farmers Markets or to other licensed dispensaries. There is a license to sell alcohol at Farmers Markets, therefore the same should be available for cannabis grown in DC. Moreover, adults who live in government subsidized housing are prohibited from growing their own supply of cannabis. Under the proposed “Cooperative Grow” endorsement, an adult with a Cottage Industry license could lawfully increase the number of plants at their home and allow up to 4 other adults to grow cannabis within their home, on their property, and outdoors.

Also, hemp and cannabis grown with the sun and in the Earth has the ability to successfully sequester carbon, combat urban heat islands, reduce runoff, and remediate soil. Growing it organically with regenerative agriculture practices outdoors should be encouraged by any legislation. Forcing growers to only grow indoors and under lights will only lead to more environmental and social justice issues, with an increased carbon footprint.

Not only should medical cannabis producers and sellers be held to a gold standard with regard to the cannabinoid/terpene profile testing and safety testing of their products, but I strongly believe that adequate resources for people to be able to test home grow should also be available and encouraged.

The medical cannabis program should be reformulated from the ground up. Right now the Medical Cannabis program is failing because it was designed to be extremely restrictive. Too few plants, too few cultivation centers, too few dispensaries, too high of a cost for customers - There should be no caps on the numbers cultivation centers or dispensaries. Patients should be able to self-recommend. Paying a doctor to give you a recommendation, paying the DC government to get a card, and paying taxes on medicine, are all impediments to safe access to quality cannabis. The DC government will make more tax revenue, employ more adults, and provide more cannabis to adults when the medical program becomes an over the counter program and this will only happen if the limiting statute of DC’s medical cannabis program is overhauled.

This legislation should address the number one reason adults are still harassed by the police. Public consumption of cannabis needs to be legalized immediately. Police resources should not be used on adults consuming this plant. Public consumption of cannabis is already happening now in DC and we need to stop criminalizing people. There are thousands of DC residents who cannot consume cannabis at their homes and at the very least, they should be able to consume cannabis wherever people are allowed to smoke cigarettes. On-site consumption lounges are good, but with the coronavirus pandemic still ravaging our neighborhoods, outside is better.

Finally, the writing is on the wall that there is a crackdown coming with respect to cannabis “gift shops” currently operating in DC. This legislation needs to give every cannabis-related business currently operating in DC the opportunity to get a license. Right now ABRA is holding back the licenses when it could be issuing them on a regular basis. Worse, the 18 month delay built into this legislation for ABCA to issue implementing regulations means the current monopoly held by the medical cannabis licensees will continue for the foreseeable future. And during that time, numerous DC small businesses will be raided and shut down. The alternative, however, is amnesty. Amnesty is needed so any unlicensed business can become licensed within the next year and there needs to be a moratorium placed on any raids on DC’s “gift shops.” Amnesty is the best gift you can give and it doesn’t cost you anything. Please consider it. Thank you for your time and I welcome any questions you may have.

November 19, 2021

TESTIMONY OF JENNIFER DAYLE FINK

REGISTERED NURSE, REGISTERED CANNABIS OIL PATIENT

PERTAINING TO BILL 24-113 MEDICAL CANNABIS AMENDMENT ACT OF 2021 AND
BILL 24-118 COMPREHENSIVE LEGALIZATION AND REGULATION ACT OF 2021

Thank you, Councilmembers, for your dedication to correct cannabis prohibition, historical social injustice and inequities to ensure the health and safety of others in the community.

I am a concerned citizen, medically disabled, registered nurse in a work program, volunteer COVID-19 RN and cannabis right's supporter. I have found the benefits of cannabis outweigh the risk of using pharmaceuticals. I have witnessed destruction and confusion over "legal drugs" such as vaccines, pharmaceuticals, food, alcohol, and medication. My experience with cannabis started at birth being born to a teen "pothead" mom, I have lived with cannabis my life rather by choice or not. I know the stigma all too well being a family torn apart by outdated drug laws and regulations that goes on and on with no favorable end while cannabis stays in the current drug schedule federally. The need of humans to access cannabis for medicinal use without fear of drug testing, social bullying, losing their employment, and children has caused people regardless of race, religion, political affiliation, continues the painful cycle. After much trial and error on my body, mind, and spirit my life mission is finding homeostasis for everyone. Personally, and professionally, I have utilized many modalities of treatment throughout my life while tirelessly balancing the amount of time in education, research, scripture, prayer, music therapy, dance, psychotherapy, laughing, nutrition, exercising, and finding the right medications do lifestyle changes that brought homeostasis. Reading and understanding the labels on the products prior to ingestion, application, or inhalation whenever possible to audit health and wellness outcomes brought success.

I would like to see laws that included growing, licenses for all people not just the financially wealthy. Laws that release people from the jail physically, mentally, spiritually for utilizing a God given plant.

Being a patient for a year, is terrifying at times. During my medical consultation, my anxiety and pain levels were overwhelming. As my treatment began with medical marijuana, I noticed not health care professionals did not follow up with me regarding my cannabis use except a pharmacist after seeking consultation. This continues to cause disparities to others by not allowing sound education and use of the plant. The laws didn't include seeds, plants, or anyway to purchase except through a medical dispensary that monopolizes the market. Why am I only allowed to use medication in the comfort of my own home? Due to fear of being penalized, a criminal, over and over. The stigma from most family, some friends, social media, and healthcare providers can be overwhelming. However, I have regained my memory, lost 35 pounds, and gained muscle and strength. I have not felt physically better in years! I have been able to get more quality sleep. I can breathe, focus, read, write, bathe, cook, clean, and help my kids with learning. I have fought relentlessly to help my family and community gain the

knowledge for best health outcomes. However, almost half of America including our innocent children hold onto irrational fears with COVID. How can we alleviate fear? Educating others with facts. With our current laws on cannabis, we have unlimited amounts of people in pain and suffering looking forward to the day our healthcare system shares the research already done in cannabis. I have witnessed healthcare workers, Veterans and government workers wanting approval to benefit with access to plant medicine without losing their benefits and employment. I am saying this clearly and loudly, I want more research and education out to the public. Why did I have to be pushed to a point of losing everything? No medication, diet, exercise, and counseling program cured my diseases to regain my activities of daily living for longer than a few days a month until the medical marijuana program. I want true anti-discrimination laws. I want to live and work with people that accept others for who they are no matter what color, gender, financial status, or disability. I want freedom to choose what is right for my body, mind, and spirit. Federal and state regulations are fabulous tools to keep is safe. How is marijuana prohibition keeping us safe?

November 19 , 2021

Committee of the Whole
Committee on Business and Economic Development
Committee on Judiciary and Public Safety

Hearing on Bill 24-113 Medical Cannabis Amendment Act of 2021, and
Bill 24-118, the Comprehensive Cannabis-Legalization and Regulation Act of 2021

Greeting Chairman Mendelson and Counselmembers assembled. I am Corey Barnette, founder and operator of District Growers, LLC and Kinfolk dispensary – both licensed since the inception of the medical marijuana program. In addition to being a licensed owner, I have worked tirelessly to promote decriminalization of marijuana, expungement of records, jobs and ownership for returning citizens and other impacted by the war on drugs, improved patient access to medical cannabis, and the taxing and regulation of cannabis for adult use.

Thank you each for taking the time to have a hearing on these two very important bills. I applaud the efforts both to solve outstanding issues within the Medical Cannabis Program and to introduce a pathway towards regulating cannabis for adult use.

First on Bill 24-118, it is my evaluation based on greater than 13 years experience as a licensed operator, having helped multiple states consider both medical and adult use legislation, and having worked with regulators in more than 8 states that Bill 24-118 goes farther towards addressing social equity issues than any other bill of its kind in the nation thus far. Additionally, Bill 24-118 affords DC resident owners, service providers, and employees more home-grown opportunity than any other controlled market legislation that I have witnessed come to fruition.

In an effort to continue the path towards a better market, I would propose that certain provisions be expanded and/or improved, including but not limited to:

- There should be zero tax on medical marijuana products as is the case with other medicines.
- Better defining social equity provisions so as to better target those truly impacted by the war on drugs over those recently moved to “impacted areas”
- Consider that off-premsis licenses should be at least 2500 ft to 1 mile from each other to prevent over concentration
- Allow medical cannabais edible products to have higher potency limits than adult use products, etc.

I have included comments to the legislation in documents provided as part of my testimony.

On Bill 24-113, the bill as currently written addresses a number of items badly in need of attention and regulation. Thank you for your time and effort on Bill 24-113 as well. However, there remains a sizable barrier to the medical cannabis program – the administrative hurdle to entry.

Just as physicians, owners, employees, and patients currently attest to their knowledge of local and federal the laws around the medical program, patients aged of 21 or older should be able to attest to their medical cannabis need. Currently patients are lured into unsafe channels in the illicit market rather than suffer the administrative hurdles of the medical cannabis program. Without a lower cost same-day access framework, the program will continue to loose pace.

In the past, I've heard that a significant reason for maintaining the current framework is the need to generate fees to cover the cost of regulation. I would propose that more revenue can be generated by charging a per-transaction fee of \$2 for "self atestation transactions" or through some other method of assessment.

Consequently, I would propose that ABCA be given the freedom to redesign patient entry methods in a manner that allows medical cannabis operators the ability to better compete with an illicit market that has proven little to no regard for following rules or stated regulations.

Finally, I would propose that the counsel act quickly to curtail the illicit market. The city has to act now if we are to be successful in:

- Achieving the goal of having a well regulated program where in all operators follow the rules and regulations,
- Providing a pathway to ownership for social equity applicants,
- Creating jobs that will largely impact those areas hit hardest by the war on drugs,
- Funding programs designed to repair damage resulting from the war on drugs,
- Creating and growing of the hundreds of ancillary businesses that will support this industry – many of which are likely to be Black and Latino owned given the robust social equity provisions of this legislation, and
- Assuring that the medical marijuana program thrives as a safe provider to patients in need.

As one who as worked tirelessly on every piece of marijuana related legislation that has come before the Counsel in the last 13 years, I implore you to act emergently to introduce provisions for civil penalties that lead to shut down of illegal operators in the city – most of whom are not minority owned but wear black face, often are located to close to schools and playgrounds, market to children, do not pay the appropriate amount of taxes, and fail to promote a well regulated industry. Considering that no state that failed to shut down illegal operators has successfully created an adult-use market that met expectations, I implore you to protect these wonderful Bills by acting emergently to shut down illicit rule breakers.

Thank you for your time and I have included mark-up of both Bills as part of my testimony.

Corey Barnette

WRITTEN TESTIMONY

TO: Chairman Phil Mendelson, Co-Chairman Kenyon McDuffie and other Honorable Councilmembers.

FROM: Jennifer Snowden, Founder and CEO of High Road Delivery

DATE: December 3, 2021

RE: DC COUNCIL BILL 24-114: The Comprehensive Cannabis Legalization and Regulation Act & the Medical Cannabis Amendment Act of 2021

As founder and CEO of High Road Delivery, a cannabis software/ e-commerce delivery platform operational in 5 states, including DC and a proud native Washintonian I look forward to the future of the cannabis industry in Washington, DC but we must not forget that the criminalization of cannabis was not rooted in science or public safety, but discriminatory intent. Based on reports, 81% of cannabis owners are white, less than 5% Latino and less than 4% black. While our eyes look forward to a new era, it is imperative we turn our heads to gaze upon the destruction left behind and ensure that the path we're paving takes into the utmost consideration, the inclusion of communities of color in an industry that has historically ignored and intentionally excluded them from the conversation. We must not forget to look back on DC's active participation in the criminalization of cannabis and the communities of color it gravely affected for over 50 years.

I am excited to see the progression of our cannabis program here in the District. I've worked in the cannabis industry for over six years and have had the opportunity to work with large multi-state operations, locally owned-operated dispensaries, large cannabis VCs, legacy markets and everything in between. I'm thrilled to see this conversation moving forward and I love how thoughtfully it involved these different perspectives. As we have seen in other states, pretty language enacted into law but without teeth has led to disastrous implementations riddled with inequity, lawsuits and unfortunate delays that almost always affects communities of color the hardest.

The Medical Cannabis Amendment Act of 2021

Getting into the weeds, D.C. Law 13-315; D.C. Official Code § 7-1671.01 states that "[a] returning citizen or a District resident who has been arrested or convicted for a cannabis business enterprise, shall be awarded preference points equal to 50 points or 20% of the available points, whichever is more" without providing a proper definition to ascertain exactly who this legislation is referring to. If the intent is to make up for DC's Legalization of Marijuana for Medical Treatment Initiative of 1999 which prevented anyone with a felony conviction or misdemeanor marijuana offense from being an employee, director, agent, or member of a

medical dispensary or cultivation center then there should be requirements in place that address the potential for these individuals to be taken advantage of by larger entities as a strawman to obtain licenses in the DC market without giving these returning citizens their fair share of the profits. We owe these communities the opportunity to succeed in this industry and not set them up to be taken advantage of because of the high amount of points given to them for simply being returning citizens.

The District has the opportunity to [learn from the mistakes](#) that other states have made when trying to legalize cannabis and give social equity entrepreneurs a chance to gain generational wealth and address the harms that the failed War on Drugs had on communities in D.C.

Recommendations to prevent strawman applicants (additions in bold)

- Insert the following language into Section 5 Paragraph C Subparagraph A section ii of B24-0113:
 - 13 (c)(A) An application for registration of a dispensary, cultivation center, or testing laboratory submitted by: **(ii).** A returning Citizen or District resident who has been arrested or convicted for a cannabis offense shall be awarded preference points equal to **15 points or 6% of the available points, whichever is more. In order to get the full allotted points a returning Citizen or District resident who has been arrested or convicted for a cannabis offense must have a business enterprise, including sole proprietorship, partnership, limited liability company or corporation that is**
 - **(a) at least sixty percent owned by one or more returning Citizens or District residents who have been arrested or convicted of a cannabis offense;**
 - **(b) a enterprise in which such returning Citizen or District residents who have been arrested or convicted of a cannabis offense ownership is real, substantial and continuing;**
 - **(c) an enterprise in which such returning Citizen or District resident who has been arrested or convicted of a cannabis offense ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise;**
 - **(d) an enterprise that is a small business; and**
 - **(e) an enterprise authorized to do business in the District and independently owned and operated; and**
 - **(f) an enterprise that cannot be purchased in advanced for a predetermined price by someone who is NOT a returning Citizen or District resident who has been arrested or convicted of a cannabis offense.**

Add subsection (c) (A) (ii)(1) to read as follows:

Licenses issued under the returning citizens or District resident who has been arrested or convicted of a cannabis offense requirement shall not be transferred or sold within the first five years of issue, except to a qualified returning Citizen or District resident who has been arrested or convicted of a cannabis offense applicant and with the prior written approval of the board. In the event a returning Citizen or District resident who has been arrested or convicted of a cannabis offense applicant seeks to transfer or sell their license at any point after issue and the transferee is to a person or entity that does not qualify as a returning Citizen or District resident who has been arrested or convicted of a cannabis offense applicant, the transfer agreement shall require the new license holder to pay to the board any outstanding amount owed by the transferor to the board as repayment of any loan issued by the board as well as any other fee or assessment as determined by the board.

Delivery Dispensary endorsement

In terms of the delivery dispensary endorsement section, the purchase limits for patients outlined in Section 7(c)(3) state that a company can only deliver to a patient or a patient's qualifying caregiver once per day.

Requiring that delivery companies only deliver to a patient once a day is unreasonable because from a business perspective there are times when an order might be incorrect or an item is missing and a driver will have to go back to the patients home to correct any mistakes that might happen during or immediately after a delivery. In fact, purchase limits at all should be removed from the bill altogether. The Board has previously stated that the restrictions are there to prevent people from reselling the medicinal cannabis, however, in an adult-use market (1) cannabis is so accessible that there isn't a need to have someone buy it for you, and (2) the price of the cannabis products are high enough that a person cannot reasonable resell the products. Instead, I propose that we allow dispensaries to establish their own customer limits based on how many products they sell per week to the average customer.

Recommendations for purchase limits (additions in bold)

- Revise Section 7(c) of B34-0133 to include the following:

(a) **Notwithstanding any other provision in this chapter, the holder of a dispensary registration shall be eligible to apply to the Board for a delivery endorsement. The holder of a delivery endorsement shall be permitted to offer curbside pickup and deliver medical cannabis directly to a qualifying patient's caregiver at residential and commercial building addresses located in the District that are not on District government or Federal property or**

public or private school grounds. For purposes of this section, a public or private park shall not be considered to be either a residential or commercial building address.

Add new subsection (a)(1) Provisions governing the delivery of medical cannabis

1. Deliveries may only be made by a delivery endorsement. 2. Deliveries shall be made only to a legal consumer by an employee of the delivery endorsement holder. 3. A delivery employee shall only deliver cannabis goods to a physical address. 4. A delivery endorsement holder shall staff each delivery vehicle with an employee who shall be at least twenty-one years of age. 5. Each delivery employee shall carry a copy of the delivery endorsement holders employee identification card. 6. The delivery employee shall present the delivery endorsement holders employee identification card upon request to District and local law enforcement, employees of regulatory authorities, and other District and local agencies enforcing these rules. 7. Each delivery employee shall have access to a secure form of communication with the delivery endorsement holder, such as a cellular telephone, at all times that the vehicle contains cannabis goods. 8. A delivery employee, during a delivery, shall maintain a physical or electronic copy of the delivery request and shall make it available upon request of the licensing authority and law enforcement officers. 9. A delivery vehicle must be equipped with a secure lockbox, container, or cage, which shall be used for the sanitary and secure transport of marijuana. 10. A delivery employee shall not leave marijuana goods in an unattended motor vehicle unless the motor vehicle is locked and equipped with an active vehicle alarm system. 11. A delivery vehicle shall contain a Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle. The device shall be either permanently or temporarily affixed to the delivery vehicle while the delivery vehicle is in operation, and the device shall remain active and in the possession of the delivery employee at all times during delivery. At all times, the delivery endorsement holder shall be able to identify the geographic location of all delivery vehicles that are making deliveries for the delivery license holder and shall provide that information to the Board upon request. 12. A delivery endorsement holder shall, upon request provide the regulatory authority with information regarding any motor vehicles used for delivery, including the vehicle's make, model, color, Vehicle Identification Number, license plate number and Department of Motor Vehicles' registration. 13. A delivery endorsement holder shall ensure that vehicles used to deliver marijuana bear no markings that would either identify or indicate that the vehicle is used to deliver marijuana. 14. A delivery endorsement holder shall ensure that deliveries are completed in a timely and efficient manner. 15. The delivery employee may carry cannabis goods in their vehicle for which a delivery order was not received and processed by the licensed retailer prior to the delivery employee departing from the licensed premises. 16. A delivery employee, while making deliveries, shall only travel from the retail licensee, microbusiness licensee, or

delivery license holder licensed premises to the delivery address; from one delivery address to another delivery address; or from a delivery address back to the retail licensee, microbusiness licensee, or delivery license holder's licensed premises. 17. A delivery endorsement holder shall maintain a record of each delivery of marijuana in a delivery log, which may be written or electronic. 18. A delivery endorsement holder shall report any vehicle accidents, diversions, losses, or other reportable events that occur during delivery to the appropriate authorities. 19. A delivery endorsement holder's employees shall not consume cannabis goods while delivering cannabis goods to customers. 20. Standard operating procedures for every delivery endorsement holder shall be presented and approved during the delivery endorsement application process to the appropriate authorities.

(b) A dispensary with a dispensary endorsement shall:

- (1) Receive and only accept an order by electronic means ~~or other means~~ from a qualifying patient **before cannabis products reach the customer;**
- ~~(2) Deliver no more than once per day to the qualifying patient or the qualifying patient's caregiver.~~

The Comprehensive Cannabis Legalization and Regulation Act of 2021

- Amend Section 25-2105 to include the following **(additions in bold)**:
 - (b) ABCA has the power to: (6) Utilize **certified minority-owned ("MBE") business** vendors **and/or meet the same local ownership requirements as recommended below** ~~or contract work~~ to carry out the purposes of this act.
- **Reasoning:**

If the ABCA Board is truly committed to addressing the historic and current harm that the failed War on Drugs has had DC residents, specifically Black DC residents, then the Board should utilize certified MBE vendors to carry out purposes of this act. As a result, I believe that a considerable number of the vendors that support this regulated cannabis industry should be MBE vendors.

Cultivation licenses

- **Amend Section 25-2201** to include the following **(additions in bold)**:
 - o (a) A cultivation licensee shall authorize the licensee to grow and produce medicinal and/or recreational marijuana for sale and delivery at wholesale directly to **cultivators**, manufacturers, testing facilities, and retailers.

- o (b) The holder of a cultivation license shall **not** be permitted to sell or deliver cannabis or cannabis products directly to the consumer **and be eligible for a delivery endorsement if they qualify as a social equity licensee.**
- o **Reasoning:** Regulation, taxation, price decline and competition are amongst the many factors affecting supply chain businesses and especially small cultivators, many of whom are social equity business owners, who have borne the burnt of the risk historically associated with industry participation. Legalization, regulation, and taxation continue to affect pricing with a disproportionate impact on smaller producers that don't benefit from economies of scale. Small social equity cultivators with high fixed costs will be challenged to compete in a market with declining prices, increasing taxes and greater costs of testing and compliance. These kinds of barriers are only surmountable by the largest cultivators, often white male owned businesses, as compressing margins continue to have a disparate impact on smaller, largely social equity owned, participants. By allowing social equity owned businesses to sell their products directly to consumers the Board can help to alleviate these costs and issues for smaller businesses run by underrepresented founders in the cannabis space that have been disproportionately impacted by the War on Drugs.

Manufacturer licenses

- Amend Section 25-2202 **(additions in bold)**:
 - o A manufacturer's license shall authorize the licensee to process, package, and label medicinal and/or recreational marijuana and medicinal and/or recreational marijuana products for sale and delivery as a whole directly to **manufacturer's**, testing facilities, and retailers.

Testing Facilities licenses

- Amend Section 25-2206 **(additions in bold)**:
 - o (a) A testing facility license shall authorize the licensee to test medical and recreational marijuana plants and medicinal and recreational manufactured products for contaminants, potency, **homogeneity, residual pesticides, and other heavy metals.**
 - **(i) For testing whether the THC content is homogenous, the marijuana testing facility shall report the THC content of each single serving in a multi-unit package; the reported content must be within 20 percent of the manufacturer's target; for example, in a 25 milligrams total THC package with five servings, each serving must contain between four and six milligrams of THC.**
 - **(ii) Each testing facility should implement a food safety program for marijuana edibles that include a hazard analysis critical control point**

(HACCP) plan, general standard operating procedures (SOPs), inspections requirements, and recall plans.

- o **Reasoning:** These types of food safety regulations are important for the following reasons: 1) immunocompromised individuals are the consumers of medical cannabis edibles; 2) cannabis edibles have a delayed effect, leading individuals to consume more than necessary in order to get a high, which calls for a better understand of dosing and need to ensure proper labeling of tetrahydrocannabinol (THC) and other cannabinoids, and 3) the District continues to legalize medical and/or recreational cannabis, it is important that the District can readily seek recommendations and information for food safety regulations provided by states that have already implemented such regulations. Most importantly, the District must be attentive to contamination due to improper growing conditions, handling and storage, chemical residues on plants and edibles, pathogenic contamination from pests and improper food handling practices, and concentration levels of cannabinoids.

Proposed recommendations:

- a. We support testing facilities in the District to allow for home grown cannabis products to be tested in their facilities.
 - i. **Reasoning:** This ensures that growers and consumers have safe products even if they are growing in their homes. From a business perspective, this could also be beneficial to the testing facilities and allow them to be profitable during the transition from medicinal to the adult-use market.

Delivery licenses

Proposed recommendations:

- b. We support the decision to not have a delivery license type right now. In the District's newly regulated market it's important to make sure that the licensees in the current license types have an opportunity to be successful. For now, retailers should be able to deliver and utilize third party delivery platforms if needed to carry out the deliveries and handle logistics. If a delivery license type is created we would support a delivery license that would allow wholesale purchasing abilities to allow smaller licensees to have the ability to make a profit.

Ownership by Residents and Local Hire requirements

- Amend Section 25-2303 **(additions in bold)**:
 - o (a) Except for those owners of medical marijuana facilities licensed as of the effective date of this Act, an applicant for a cultivation, manufacturer's, microbusiness, or

off-premises retailer's license shall have one or more District residents, which individually or collectively, own at least 60% of the licensed establishment. Persons claiming to be District residents shall submit adequate proof of District residency ~~determined by ABCA~~ according to the following standards and affirm an intent and commitment to maintaining District residency during the period of ownership of a licensed facility covered by the requirements of this subsection.

- (1) a District resident for 10 of the past 30 years preceding the date of application, have paid taxes in the District and continue to so reside throughout the period of licensure; or
 - (2) a District resident for 8 of the past 30 years preceding the date of application, have paid taxes in the District and continues to so reside throughout the period of licensure, and is a low income applicants at the time of application; or
 - (3) a District resident for 5 of the past 30 years preceding the date of application, have paid taxes in the District and continues to so reside throughout the period of licensure, and has a prior controlled substance record, as defined in this bill, or a parent with a prior controlled substance record as defined in this section under the following circumstances:
 - (i) the parent is named on the applicant's birth certificate, and the parent's conviction took place before the applicant's 18th birthday; or
 - (ii) the parent has claimed the applicant as a dependent regularly on federal income tax filings, and the parent's conviction took place before the applicant's 18th birthday.
- o (c) Straw ownership for the sake of fulfilling the ownership requirements of this section is banned, both for the District resident(s) and the out of state residents purporting to give the District resident(s) a 60% ownership share in a license under this subsection. To ensure that no straw ownership occurs the following requirements for ownership for vendors, contractors, or license owners shall be in place for every applicant:
- (i) the District residents ownership must be real, substantial and continuing;
 - (ii) the District resident ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise;
 - (iii) the District resident's business is independently owned and operated; and
 - (iv) the District resident has paid taxes in the District for 10 of the last 30 years.

Proposed recommendations (additions in bold):

- a. **Require local participation for vendors/contractors that will be working with qualified District licensees. We suggest that all vendors/contractors have lived in the District for at least 10 out of the last 30 years preceding any work they do within the industry and show proof that they paid District taxes during that time.**
- b. **Management companies should be prevented from using a “straw person” to get around these residency requirements by including language above.**

Transfer of licensed establishment to a new location

- Amend Section 25-2307 **(additions in bold and omissions strike out):**
 - o (b) An application to transfer a license to a new location shall not be permitted to be filed by an applicant who:
 - ~~(1) Failed to open for business within 180 days of being issued a marijuana license;~~
 - (2) Stopped operating within 90 days of being issued a marijuana license for more than 14 calendar days in the absence of a showing of good cause and approval by ABCA for a longer period of delay or closure. This subsection shall not apply to an applicant that has stopped operations due to a fire, flood, or other natural disaster, a public health emergency, or due to rebuilding or reconstruction.

Proposed recommendations (additions in bold):

- a. Omit language that requires businesses to open within 180 days of being issued a marijuana license as this time limit might not work for social equity applicants or applicants that are District residents who have been convicted or arrested of cannabis offense. Many of these applicants will rely on District funding to become operational and the funds may not arrive within the 180 day time period.
- b. Another option is to insert the following language into Section (b)(1) of 25-2307:
 - i. Failed to open for business within 180 days of being issued a marijuana license **with the exception of social equity and District residents who have been convicted or arrested of a cannabis offense and have yet to receive District funds promised to them to start their businesses.**
- c. Social equity licensees might be negatively influenced by the requirement that they cannot move to a new location if they stop operating within 90 days of being issued a license as cannabis is still looked upon negatively and landlords often take advantage of cannabis businesses by charging higher than average prices to lease space and kick cannabis businesses out of spaces without warning.

Our recommendation is that there be some sort of exception to this requirement if a licensee's space is compromised or there are some circumstances that are outside of their control.

Restrictions on proximity to schools and recreation centers.

- Amend Section 25-2308 **(additions in bold)**:
 - (a) The Board shall not issue, except as to entities licensed as of the effective date of this act, a cultivation, manufacturer, microbusiness, or off-premise retailer's license to any establishment located within 400 feet of the proximity of a pre-existing public, private, or parochial primary, elementary, or high, or the boundary of a recreation area operated by the District of Columbia Department of Parks Recreation, **or any other Retailer or Microbusiness.**
 - **(i) Exception: On-site consumption lounges that are owned and operated by a Retailer licensed by the District to engage in onsite consumption and retail sales of cannabis products.**
 - **Reasoning:**

Given the small size of the District this amendment is being proposed to prevent what we see in some areas of the city where there are alcohol retailers on every city block without being a burden to licensees who own both a retail license and an onsite consumption license.

Hours of operation for cultivation and manufacturers

- Insert the following language into Section 25-2704 **(additions in bold)**:
 - **(b) A licensee authorized to sell cannabis or cannabis products at onsite consumption lounges to consumers shall be permitted to sell cannabis or cannabis products between the hours of 7 a.m. and 2 a.m., seven days a week, or as may be further limited pursuant to D.C. Official Code § 25-2706.**
- **Reasoning:**

Onsite consumption lounge licensees should be able to have operating hours that are consistent with alcohol establishments in the District.

Seed-to-sale tracking and wholesale purchase systems

- Amend Section 25-2707:
 - (a) A licensee shall be required to utilize and record inventory ~~in a~~ **using** seed-to-sale tracking **and distribution, delivery and e-commerce software** selected and approved by the Board. The licensee shall be responsible for purchasing radio-frequency identification (RFID) tags and hardware to utilize the designated

software and may be charged a user fee by the Board. The Board shall establish rules regarding the entry of data by licensees into the seed-to-sale tracking system.

- o (b) In addition to a seed-to-sale tracking system **and distribution, delivery, and ecommerce software** in subsection (a), the Board may, through rulemaking, require all licensees to utilize a wholesale purchasing system and **logistics solutions** for wholesale **and direct to consumer buying**, selling, **and distribution, delivery and e-commerce** of marijuana and marijuana products.

Production of valid identification document required

- Amend Section 25-2715 **(additions in bold)**:
 - o (a) A licensee shall refuse to sell or deliver cannabis or cannabis products to any person who cannot or refuses to provide the licensee with a valid identification document.
 - o **(b) An off-premises retailer must require a person 21 years of age or older to upload a photo of their government issued identification to a secure on-line e-commerce database before an order can be placed to verify their age before a delivery disbursed.**
 - o **(c) An off-premises retailer or microbusiness shall require a person 21 years of age or older to sign for the delivery and shall ensure that the name on the valid identification document matches the name of the customer who placed the on-line order.**
 - o **(d)** A licensee or a licensee's employee shall take reasonable steps to ascertain whether any person to whom the licensee sells or delivers cannabis or cannabis products is of legal age.
 - o (e) In order to ensure individual privacy is protected, customers shall not be required to provide microbusiness or off-premises retailer with personal information other than a valid, government-issued identification necessary to determine the customers' age.
 - o **(f) The person ordering the delivery or a person 21 years of age or older must physically be in the home or the commercial building at the time of delivery, not on a porch, driveway, walkway, street, alley, plaza, or in the yard. The purchaser must sign for receipt of the delivery, and affirm that to the best of his or her knowledge, there is no gun in the residence or business where the cannabis is delivered.**
 - o **(g) Off-premises retailers or microbusinesses offering home delivery after 4 years of the effective date of the act must state prominently on their website and by telephone when telephonic orders are placed that it is illegal under federal law to receive, possess, or use cannabis in federally-funded public housing under the federal Controlled Substances Act, so long as that remains the case.**

- o (h) The Board is authorized to issue regulations regarding the standards for verifying, recording and preserving records relating to identity, age, and the status of an address as a residence or commercial building as not being on District government or Federal property or public or private school grounds, and record retention.

Revenues

- Insert the following language into Section 25-3003 **(additions in bold)**:
 - o (c) Except as provided in D.C. Official Code §§ 25-2104 and 25-2108, all funds obtained from the tax imposed under D.C. Official Code e §25-3001 shall be deposited into the General Fund of the District of Columbia.
 - (i) **Tax payments must be made electronically within a week of receipt of payment from the customer.**
 - **Reasoning:** The District can have better data as terms of forecasting revenue for the city and ensure the District can expedite the availability of funds for social equity and District residents who have been convicted or arrested for a cannabis offense.

Greetings. I have been asked to share my Takoma Wellness Center experience and how being a patient since 2016 has benefited my life. Back then, I was seeking aid for menstrual cramps, back and knee pain, PTSD and insomnia. In the past when each of these ailments would be presented to my doctor and later dentist, they would all be sympathetic, cite my age, and advise me the only way to treat my ailments was with a variety of prescription or over-the-counter lab-created medications. Motrin was advised for cramps and tendonitis type pain. My cycle was less than monthly, and the need for pain relief pills really started to add up. I found it was less toxic for me and I could be productive if I smoked or ingested cannabis to treat my constant discomfort.

In February 2020, a major source of suffering ended for me with a full hysterectomy. Having edible options after major surgery meant I didn't have to rely on oxycodone or motrin for pain relief. I was on medical leave for 8 weeks. The full recovery is at least a year. The edibles I used gave me long lasting body pain relief, and I've had tremendous success with my hip and back aches by treating them with THC/CBD salves.

I recently wore metal braces. When my titanium wires were tightened every 6 weeks, I wanted to pull my teeth out at first, at least until I spoke with staff about my pain. I could choose an alcohol or oil-based tincture and they clearly explained how each could be beneficial. I tried it on my gums and viola no more discomfort.

Like many people I have PTSD and anxiety. I'm very woke. I manage a demanding career and have an intense life. Sleep has always been a challenge for me since childhood. Regular exercise and yoga have been my mainstays for the past 20 years. However, I still need more help to get to sleep. My doctor would gladly give me ambien or other sleep aids. Not my preference. Some tiger rose or an edible can do wonders for me. I wake up rested, emotionally able to deal with life.

My mother passed away in March after years of struggling with Parkinson's Disease. Her anxiety was treated with two drugs, muscle freezing with something else, and it went on and on with PILLS. I am currently caregiving my husband who is at home in hospice for stage 4 cancer. I've seen first-hand how the medical community treats minor and chronic conditions. I know how prescription cocktails and opioid narcotics help keep you here, usually with side effects that require more drugs, until your organs just deteriorate. It's awful.

Everyone is expected to perform personally and professionally in their lives. I do this often with anxiety, loss of appetite and insomnia. A secret to my personal resilience is because I'm able to find relief in the variety of forms of cannabis. I love that I have a go go music playing dispensary as a part of my personal wellness plan.

DC voters have spoken and many of us thrive & survive using cannabis in Washington, DC. I know based on the current system, I'm very fortunate to receive this level of medicinal guidance and to have access to these products. I hope in the future more DC residents can benefit from Takoma Wellness in their own health journeys. Thank you for your time and consideration.

Jamila Hogan Testimony

I am most known for being the first black woman to manage a dispensary on the East Coast. My work in the DC medical cannabis space has been focused on patient wellness and community education on mental wellness since before i71 was passed. Initially, the dispensary owners and i71 advocates were working together with a common goal. Since their licenses have expanded to provide more products they have completely forgone all attempts to work with the community adding opportunities for ownership, and only seek to capitalize on the patient base of Washington DC as the sole proprietors of medical cannabis.

Since 1996 dc has failed the community in providing safe access to medical marijuana, and continues to fail by the lack of testing for medical marijuana, leaving patients completely in the dark in regards to the potential psychological and physical effects of what they purchase. DC's inability to expand the supply chain with proper testing, processing, manufacturing and distribution capabilities while expanding the production capabilities and qualified patient base, shows that they do not value the mental wellness of the patients that come to DC from all over the country searching for healing.

The most beneficial form of receiving medical cannabis is ingestion. The second best form is topical. There is only one facility making honey. There is only one making rice Krispy treats and granola bars. Most tinctures are made with an alcohol base, making them ineffective as medicine. Meanwhile, there is a bustling cottage food scene that is healing the community with a myriad of ingestibles that are vegan, gluten free, and not based in alcohol or chemically extracted concentrates.

The current bill seeks to remove the ability to exchange cannabis, but has no measures at all for any compassionate care. Dispensaries and Cultivation centers are not giving back to the community in any way shape or form, and in turn the community has had to rely upon itself to provide safe medicine for their loved ones, and themselves.

The very legislation that allows dispensaries and cultivation centers to operate was advocated for and passed by residents giving away free medicine to people in need. Mostly elderly, disabled and military veterans turned out to these free treat & free tree giveaways, and experienced life changing healing experiences from our impactful educational installations.

This bill has nothing to immediately address the lack of ability to legally test and sell cannabis grown in dc. At the very minimum, the same TLC (thin line chromatography) testing requirement that is currently the standard for legal cultivation centers can be the starting requirement for home grown cannabis. In addition, a commercial kitchen can be housed along with professional packaging equipment to create a secure distribution facility that only serves DC dispensaries.

Medical dc cannabis is not tested to be medically safe. Currently there are no current standards for terpene testing, screening for heavy metals & residual solvents, or inspections for mold and mildew. I personally have witnessed numbers of violations by legal operators during my tenure managing a cultivation center, and managing a dispensary. I am here to say that I fully endorse the home growers and craft makers just as much if not more than I trust the current operators and medical license holders in the district to provide safe medicine to the patients that need it.

Our current license holders should be growing flowers that come from DC growers, providing reasonable business arrangements and strategic alliances that are not predatory in nature, allowing for community

partnerships. Established legacy DC cannabis strains such as the Washingtonian and First Lady should be embraced by our cultivators. Instead they bring seeds and clones from out of state. Their clones, and seeds are acquired with no sourcing information.

I close my testimony by asking for the taxes current and future to fund testing for both licensed and unlicensed growers, so the burden of the cost of testing is no longer a barrier to entry to an obstacle to be manipulated. Under the emergency medical expansion act, you should move more quickly to allow direct sales of tested products made by cottage business owners to be sold directly to dispensaries, and for cultivation centers to be allowed to sell directly to the patients.

Thank you,

Jamila Hogan
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(301) 661-1114
jay@therealjaymills.com
@TheRealJayMills on everything
1714 Douglas Street NE DC 20018
Ward 5 Resident



November 16, 2021

The Honorable Phil Mendelson, Chairman, Committee of the Whole
The Honorable Kenyan McDuffie, Chairman, Committee on Business
And Economic Development
The John A. Wilson Building
1350 Pennsylvania Avenue NW
Washington, DC 20004

Dear Chairman Mendelson and Chairman McDuffie:

I am Linda Mercado Greene, Owner and CEO, of Anacostia Organics, the first medical cannabis dispensary to open East of the River, located in Historic Anacostia. I am also the Chair of the DC Cannabis Trade Association, a Board Member of the US Cannabis Council and Chairing the Diversity, Equity, and Inclusion Task Force in that capacity, the Host of Cannabis Conversations Podcast found on DCRadio and other streaming services, serving my 2nd term as a Mayoral appointee on the Historic Preservation Review Board, a member of the Executive Committee of the Anacostia BID, and a resident of the District of Columbia for 49 years, residing in every ward but 5 and 7 with Historic Anacostia being my home for the past almost 22 years.

Today, I am speaking as a DC legally licensed cannabis dispensary owner, Anacostia Organics, who hires DC residents with the majority living in the community for which we serve. I was awarded my license in July 2018 and opened our doors for business January 2019. My written testimony below states the reasons for my support for B24-113, the Medical Cannabis Amendment Act of 2021. I am also speaking as a patient.

With my dispensary being in Ward 8, my patient clientele is varied, but most come from the community of Ward 8. I spent 3 years educating my community, mostly at events in my home for my monthly "Conversations at Linda's" on the benefits of cannabis vs. street drugs. When I decided to seek a license, I took data to the Mayor and the Council showing that 25% of the medical marijuana cardholders in DC were from Wards 7 and 8. These DC residents East of the River, the most economically deprived wards in our city, didn't have access to their medications without having to travel to other areas of the city, occurring additional costs. I requested emergency legislation for the Department of Health to reopen the licensing process to award at least one license in Ward 7 or 8, which passed unanimously. Our great city of the District of Columbia had "unintentionally discriminated against longtime Washington residents, minorities, and those with the least amount of income. I had the support of Ward 8, many of the churches,

ANCs, and other organizations in my community. The entire community was invited to the Ribbon Cutting Ceremony which was a full day event. The community and leadership turnout were beyond my belief.

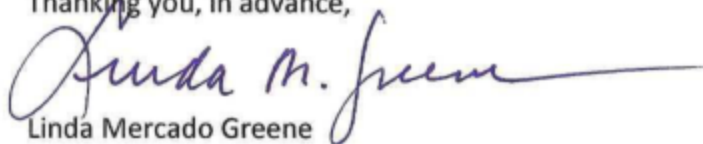
After a year of operating, we entered a pandemic putting my community out of work, and having to find economic means to survive, not to mention the high rate of Covid deaths we encountered. During the time they really needed their medications, many could not renew their medical cards due to lack of funds to (1) get a medical referral, (2) not being able to pay ABRA's fees, (3) not having access to the internet and computers, and (4) the abundance of street drugs through illegal businesses. This option became much more attractive by just paying for the product and no sales tax, no registration fees, no doctor's fees. Those of us legally licensed by the District of Columbia to provide safe, quality, lab tested cannabis medications to our citizens have lost more than 50% of our business during this time.

These financial barriers created by our government to simply get cannabis medication is "unintended discrimination" against those who have little and rewards those who have much. This must change! Patients should be able to get a telemedicine appointment with any medical professional in DC, bring that referral directly to the licensed medical cannabis dispensary to get their medications immediately, just as they go straight to CVS, Walgreens, or other pharmacies to get opioids and other medications prescribed by their doctor.

Thus, I am asking you to vote affirmative for the Medical Cannabis Amendment Act of 2021, so we can have a healthy city, a safe city; for, as the capitol of the United States, we are also the capitol of the world with every country having an Embassy here. All eyes are on us and our medical cannabis program, and soon to be, recreational program.

I am also in support of returning citizens who are residents of the District of Columbia be given priority to the new licenses which will be granted soon. I know they will get CBE advantage points; however, I strongly believe these licenses should be solely set aside for those who have wrongfully been jailed with their lives being destroyed for the possession of a plant which has been around for thousands of years. Let us show America the District of Columbia's resolve to level the playing field in the cannabis industry.

Thanking you, in advance,

A handwritten signature in dark ink, appearing to read "Linda M. Greene", with a long, sweeping horizontal line extending to the right.

Linda Mercado Greene

Owner/CEO Anacostia Organics



November 19, 2021

The Honorable Phil Mendelson, Chairman, Committee of the Whole
The Honorable Kenyan McDuffie, Chairman, Committee on Business and Economic
Development
John A. Wilson Building
1350 Pennsylvania Avenue NW
Washington, DC 20004

Greetings Chairman Mendelson and Chairman McDuffie,

I am Yvette Alexander with Y. Alexander & Associates representing the position of the District of Columbia Cannabis Trade Association (DCCTA), Linda Mercado Greene, Chair of the Board. The DCCTA was formed to advocate for improved access for patients in our city's Medical Marijuana program. The members represent licensed medical marijuana cultivation centers and dispensaries in Washington, DC, a medical market with the most diverse group of owners in the country, even in the absence of a formal social equity program. 36% of the licensees are minorities, 36% are women, and 81% are local to the District of Columbia.

Currently, the medical program has under 6000 patients, which represents an almost fifty percent decline since the inception of the Covid 19 pandemic. The medical market is in danger of extinction, and while the legislation introduced on November 2nd and recent provisions from ABRA will provide some potential temporary relief, it is a band aid and it will not stop the collapse of the legal market. We look forward to continuing to work with the Council, Mayor Bowser and ABRA to increase patient enrollment and grow our medical marketplace, and our testimony consists of recommendations to accomplish this goal.

The DCCTA would like to express their support for B24-113, The Medical Cannabis Amendment Act of 2021. The introduction of this measure clearly demonstrates the Council's continued support to ensure patients rights to access medical cannabis and the addition of several important amendments would further help the city and support the continued success of the medical cannabis program.

- 1) A comprehensive approach to expanding the DC medical market is imperative – we recommend beginning this approach by repealing ABRA registration for patients and physicians. The current requirements are time consuming, burdensome, outdated and expensive. As a result, the illegal market is roughly 17x the size of the medical market - \$600m annually vs \$35m. Repealing ABRA registration relies on the professional relationship between patient and licensed healthcare professional to allow purchase at a dispensary with only a recommendation and government issued



ID, and would make it significantly easier for patients to remain in the legal regulated market. Dispensaries would provide ABRA with the patient information collected at intake, and the customers would be tracked through METRC with their government issued ID number, similar to how we track out of state licenses with their home-state medical card numbers, which differ in format and length from state to state.

- 2) A second priority for this bill is civil enforcement for illegal businesses operating under the incorrect claim of being “i71 compliant”. As Council is well aware, there has been gross misinterpretation pertaining to Initiative 71, which does not provide for any type of cannabis business. The intention of i71 was to allow DC residents to grow, consume, and share small quantities of cannabis within their own home. The current illegal market is misrepresenting these permissions and it has resulted in an estimated illegal market of \$600m, largely selling cannabis procured from out of state. The recommendation is to impose civil infractions, first introduced by Chairman Mendelson’s office on 10/28/2021, targeting illegal business operations and their landlords. It’s important to note that these actions would not send any individuals to jail, would only result in fines and the revocation of basic business licenses, and would not prohibit these illegal business owners from applying for a medical or recreational cannabis license through ABRA in the future.
- 3) A third recommendation for this bill is to add an amendment granting the legal medical operators the ability to deduct ordinary and necessary business expenses on their District of Columbia tax return, effective for 2021 tax filings. Federal tax code 280E does not provide for tax deductions other than cost of goods sold, even in states with legal medical or recreational programs. California, Oregon, and Colorado have begun providing these deductions at a state and local level for their legal licensed operators in recent years.
- 4) Finally, this bill would provide an additional 8 dispensary licenses, and ABRA’s 3rd Emergency Rulemaking issued November 10, 2021 would provide for an additional 6 cultivation licenses. We would like to recommend that a market study is performed by ABRA to determine increased demand before these licenses are made open for application.

Sincerely,

Yvette Alexander, Y. Alexander & Associates for
Linda Mercado Greene, President, District of Columbia Cannabis Trade Association



November 19, 2021

The Honorable Chairman Mendelson
and Members of the Council for the District of Columbia
1350 Pennsylvania Avenue NW, Suite 504
Washington DC 20004

**RE: Bill 24-113, Medical Cannabis Amendment Act of 2021
Bill 24-118, Comprehensive Cannabis Legalization and Regulation Act of 2021**

Dear Honorable Chairmen Mendelson, McDuffie, Allen and Members of the Council:

The DC Democratic Caucus for Returning Citizens (Caucus) is here today to share its thoughts on the current bills regarding medical and recreational cannabis before this governing body as well as the Cannabis Industry (Industry) as a whole here in the District of Columbia (District).

First, as is customary with the Caucus, we would like to point out the significant role Returning Citizens have played in the District's community and government affairs earning well deserved accolades in every facet. Importantly, the Caucus has been privileged to be able to expound on the subject of Cannabis from a perspective of direct impact in light of the disastrous and racist War on Drugs. Thus, the Caucus believes it has a duty to highlight instances of fundamental unfairness and lend its awareness to the inequities in the Industry.

The Industry is dominated by white men with finance backgrounds who have disingenuously created a financial moat that is insurmountable to overcome as it relates to men and women directly impacted by the racist War on Drugs.¹ Only 2% of the cannabis businesses in the Industry are owned and operated by blacks. The difficulties associated with the costs of starting a cannabis business illuminates the hypocrisy: whites profiting while black and brown people suffer in an unjust penal system. The Caucus believes that a diverse Industry here in the District is healthy and beneficial for all parties as this nascent Industry continues to take hold.

While the Caucus acknowledges that the District is behind the curve of legalization because of forces beyond its control, however, these impediments cannot act as an excuse to lessen the focus on intentionality as it relates to a Social Equity Program in the District's future adult use program. New York, New Jersey and Virginia all have passed progressive legislation that puts

¹ https://grownin.com/2021/10/28/analysis-publicly-traded-cannabis-company-board-members-largely-hail-from-finance-and-law-sectors/?vgo_ee=Rjy%2FSHhOkeGV7hHCN03AvtSYFmrMikCwIKFARSZoYAo%3D

Social Equity front and center. New Jersey allows men and women with prior cannabis convictions whether State or Federal to participate in its adult use program. New York gives its SEP Participants with prior cannabis convictions extra priority. The adult use bill here in the District limits participation of those with prior cannabis convictions to cannabis convictions that are expungable under the Act not taking into consideration that a Native Washingtonian may have a federal cannabis conviction or conviction from another state

The Caucus further believes that the funding apparatus written into Bill 24-118 lacks the intentionality necessary to achieve the mandate of successfully creating at least 50% of cannabis businesses owned and operated by SEP Participants. New York, Virginia and Connecticut have created loan funds that will enable their SEP Participants to have a chance at success. In particular New York amended its Urban Development law to allow for cannabis loans which reads:

§ 59. Section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, is amended by adding a new section 16-ee to read as follows:

§ 16-ee. Loans to social and economic equity applicants. The corporation is authorized, on the recommendation of the state cannabis control board, to provide low interest or zero-interest loans to qualified social and economic equity applicants and to provide funds necessary for the provision of such loans, as provided for in article four of the cannabis law.

S854(A) §§ 59 (emphasis added).

The District should follow New York's lead and allow the DC Department of Small and Local Business Development (DSLBD) to provide low interest and zero-interest loans. In other words, fully fund the DSLBD so these loans are readily available. The funding apparatus currently in B24-118 which calls for using monies from licensing fees etc will not suffice. The Caucus reiterates that Returning Citizens pay an ample share of taxes here in the District and deserve a fully funded DSLBD with a minimum of \$50 million to combat the mythical belief that Returning Citizens need \$1 million to set up a cannabis business in the District. Also, the Caucus Believes that the Commercial Property Acquisition Fund through the Office of the Deputy Mayor for Planning and Economic Development (DMPED) should be made available to SEP Participants.

In regards to B24-113, the District should set aside 4-6 licenses for Returning Citizens. More importantly, the District should allot 60 points to Returning Citizens with marijuana convictions regardless of whether they are a medical certified business enterprise to address the hypocrisy associated with cannabis convictions. A loan fund of \$20 million to \$30 million made available to Returning Citizens who intend to pursue a medical cannabis license, including access to DMPED's Commercial Property Acquisition Fund.

For the sake of time, the Caucus requests that it be given the opportunity to help shape the adult use program here in the District. Oftentimes, men and women directly impacted by the tragic War on Drugs do not have a seat and voice at the table regarding the laws that affect their lives and communities.

In conclusion, the Caucus believes the District would perpetuate the hypocrisy by allowing current medical cannabis dispensaries to apply for adult use licenses at the same time as SEP Participants in any future adult use cannabis program, without having a prior cannabis conviction. In other words, no grandfathering, without cannabis convictions. The Caucus believes the District should allow SEP Participants exclusive access to the application process for the first 6-12 months, especially those with prior cannabis convictions. The Caucus would like to thank the Council for having this hearing and we look forward to any questions that the Council may have.

Respectfully,
Eric Spencer, Secretary
DC Caucus for Returning Citizens

Good Morning D.C.Council:

I Testified On November 19, 2021, Regarding The Medical Cannabis Amendment.

On January 8, 2020, My Daughter Ingested A Tainted Bottle Of Jackson's Courage CBD Oil From Takoma Wellness Which Caused Her To Stop Breathing, Sent Her Into Respiratory Arrest, Followed By A Seizure Which Almost Took Her Life.

She Was Placed In ICU At Georgetown University For 6 Days. Unaware That WDC Doesn't Test Their Medical Cannabis Products Nor Has A Lab Facility In Our Nations Capital, I Travelled To Massachusetts Where A 3rd Party Lab Test Of The CBD Oil Was Performed Which Revealed That Her Bottle Was Indeed Contaminated With Pipernoyl Butoxide "PBO".

Zoey's Exposure To PBO Was In The Height Of COVID And She Suffered Tremendously From The Exposure. In June Of 2021, I Took The Same Bottle To Oregon That Also Has A 3rd Party Lab Site To Get A Second Opinion Of Jackson's Courage After Being Stalked, Harassed, And Threatened By Holistic Industries Representative And Mother Of Jackson's Courage, Lisa Leyden. The Results From Oregon, Were Repetitive From The Results In Massachusetts, POSITIVE FOR PBO.

I Am Speaking On Behalf Of My Daughter, And The WDC Cannabis Community In Its Entirety That I Find It Egregious That WDC Doesn't Have Any Layers Of Protection For The Very Same Patients That This "Medical Cannabis Program" Was Originally Designed For. It Is A Travesty That What You Consider "Black Market" Or "Gray Area", Are No Different Than Dispensary Owners In Respect To Providing Clean Safe Medicine.

The Difference Between "Black Market" And "Licensed Dispensary Owners"

1. Black Market- Will Right Their Wrongs If The Customer Isn't Satisfied With The Product -vs- Licensed Dispensary Owner, Disparaging The Near Death Experience A Patient Experienced After Consuming Their Product.
2. Black Market- Doesn't Want A Bad Reputation For Selling Unsafe, Clean Meds -vs- Licensed Dispensary Owners Harassing Little Black Epileptic Girls With Micro Aggressive Bigotry, Threats, And On-line Stalking.
3. Black Market Has Experience In Cultivation And Processing Cannabis -vs- Licensed Dispensary Owners Who Will Boldly State They Have NEVER Grown With PBO In 10 Years. The Reckless Statement That Holds No Validity Simply Because WDC Has NO LABS To Test Proves Entitlement Over Scientific Double Tested FACTS.*see attachment from CEO, Josh Genderson Of Holistic Industries False Claim To NEVER Growing With PBO*

The Only Difference Between "Black Market" vs "Licensed Dispensary" Is That They Can Sell Tainted Meds In A Building Under A City License Whereas "Black Market" Continues To Be Punished And Shunned For The Very Same Thing That Has Led To Arrest, Incarceration, And Unjust Search And Seizure.

Prior To My Daughter Being FORCED Into WDC Unregulated, Lack Of Testing, Medical Cannabis Program She Medicated With Her Personal Home Grow For 3 Years, And From 2 Hemp Farmers Prior To That. It Took Only 3 Months Into WDC "Medical Cannabis Program" That My Child Fell Victim To The Lack Of Oversight As It Pertains To Her Being A "Medical Cannabis Patient". Adding Insult To Injury As We Tried To Gain Homeostasis After Her Horrific Incident, Harassment From CPS Because "PBO" Has The

Molecular And Chemical Structure Of "ECSTACY", Disparaging From WDC After The Incident Was Reported To EVERY Government Official, And Micro Aggressive Bigotry, Threats, Stalking From The Creators Of The Very Same Product That Landed My Child In ICU For 6 Days.

From My First-Hand Experience Of WDC "Medical Cannabis Program", And How WDC Disparages How Black Children Are Harmed By Untested Medical Cannabis Product, My Child Would've Stood A Better Chance Obtaining Her CBD Oil From A Gas Station Opposed To The Glorified Medical Cannabis Dispensaries Here In WDC.

In Closing, I Pray That WDC Will Do Better And Not Close Their Eyes As They Have In The Past To The DANGERS That Exist In the Lack Of Testing Of Medical Cannabis Products.

As For My Child And Myself Who Have Endured Tremendous Pain, Suffering, And Trauma To The Lack Of Ensuring Safe Clean Medicine I Pray That No Other Patient/Child Ever Endures What We Have For Over 1 Year And A Half.

I Once Was Proud To Celebrate The Accomplishments Of My City As It Pertains To The Progressiveness Of Our Medical Cannabis Program, But As Of Lately, I Live In Fear That It Will Take A Incident Similar To The Vape Crisis A Few Years Ago For WDC To Take Testing Serious, Which Is A Travesty Because Why Should Any Human Who Has Found Medical Cannabis A Safer And Cleaner Alternative To Prescription Drugs Now Fall In A Category Of Playing Russian Roulette With Their Lives Due To A Simple BASIC Which Is "TESTING"?

Best Regards

Dawn Lee-Carty, Speak Life



Testimony for: Bobby McLeod, HomeGrower, Inc.

COW, CBED, and CJPS Hearing on Bills 24-113 and 24-118
Nov 19, 2021 09:00 AM Eastern Time (US and Canada)

My name is Bobby McLeod. I am the founder and CEO of HomeGrower, Inc. HomeGrower is a multi-state certified minority owned cannabis business operating licensed cannabis cultivation and storage facilities primarily for residential, minority and small commercial growers. HomeGrower has a patent pending. HomeGrower is developing licenses in DC, Michigan, New Jersey, and New York.

As an African American growing up in Washington, DC during the 1950's, I learned the importance of inclusion and the value of diversity. I learned that second chances can make a difference. I have incorporated these lessons into my personal and professional life.

At HomeGrower, we strongly support social equity initiatives, and we believe both the government and the private sector should do everything possible to increase minority ownership, minority revenue sharing and job opportunities for minorities in the rapidly expanding cannabis industry.

The proposals included in the bills being considered by this committee are a good start but do not go far enough toward achieving the goals of increasing minority opportunities and their participation in the local cannabis industry.

The first step in any social equity program is to identify the problem. In this case both bills recognize the need to expunge the criminal records of those residents arrested and convicted of possession and sale of small quantities of marijuana. These convictions for minor drug offenses are a barrier to some residents' entry into the local cannabis business.

The second step is to provide realistic economic opportunities. The bills call for setting aside a percentage of cannabis licenses and awarding preference points for residents who had been previously convicted of minor cannabis offenses or who suffer the societal consequences of being a minority in America (i.e., poverty, unemployment, and high crime rates).

Additionally, there are provisions for the creation of a Cannabis Equity and Opportunity Fund, supported by tax revenues from cannabis sales, to provide loans, grants, and technical assistance to those receiving the set aside licenses.

HomeGrower supports these provisions.

Like other cannabis facilities, HomeGrower facilities are, also, professionally designed, operated, and professionally staffed. However, there is a major difference. HomeGrower provides residents the opportunity to share in the revenue stream of their local cannabis facility and residents can purchase, at a low cost, equity shares in that HomeGrower facility.

While it is vital that those who apply for and receive a cannabis license have access to the funding necessary to start and maintain their businesses, it is also important that these new license holders are given the knowledge and training needed to run their businesses.

There is an old saying “if you give a man a fish, he will eat today, but teach a man to fish and he will eat forever.” Training and education are paramount to the success of your social equity initiatives.

Completion of a quality cannabis training program that covers all aspects of the industry from cultivation to processing to distribution to retail marketing should be a requirement for new license holders.

HomeGrower, Inc provides, tuition-free, training and certification programs to our resident growers and small business cultivators through our 501(c)3 non-profit LegacyNation. We also offer critical professional business and management consulting services through our Financial and Management Services Company, Inc.

At HomeGrower, we believe that it is not only important to open the doors to opportunity but to provide the support needed to face every challenge and it is

incumbent upon the City Council to take similar steps to make sure we are not setting people up to fail.

Community involvement is also essential to making social equity work. There must be ways established to draw in the community and make them understand that these initiatives not only benefit the participants but the community at large.

At HomeGrower, we have our own community outreach staff and HomeGrower will provide direct financial support community organizations.

On another point, I think the City Council should take under consideration and steps to legitimize the independent businesses that currently operate in the absence of legislation governing the sales of recreational cannabis. HomeGrower believes that rather than attempting to eliminate this market, that we create a “pathway” for them to become which allows these entrepreneurs to continue to make a living.

We support the careful drafting of regulations covering the cultivation, production, and sale of cannabis in the District of Columbia and would welcome the opportunity to assist in the crafting of the proposed new rules.

Thank you again for the opportunity to provide my comments on these important pieces of legislation and I will answer any questions you may have.

Bobby McLeod

President/CEO

HomeGrower Cannabis Group (DC, NJ, NY, MI)

(202) 669-3023 cell

www.HomeGrower.net

www.LegacyNationFountation.org (a 501(c)3 tuition-free cannabis training program)

Chairs and distinguished members of the committee,

My name is Tiffany Barnard Davidson. I live in Ward 6. I am testifying in response to Bill 24-113 and Bill 24-118.

I DO NOT support the bills.

On December 9, 2018, my eyes were forever opened to marijuana addiction and its deleterious consequences.

In the early evening of December 9, my then-17-year-old son lay in my arms sobbing uncontrollably. I would soon learn that he was struggling with marijuana addiction. We took swift action and today I am able to report that my son has nearly 3 years of clean time.

My bright, enthusiastic, confident, and curious son became a shell of his former self in just one year of vaping 97% THC oil. What started as recreational use with friends increased exponentially into daily use, multiple times a day, in his room, by himself, with clear intention to move on to harder drugs. That was my son until the evening of December 9 when he had the remarkable self-awareness to see that his behavior was self destructive.

And this, DESPITE the shameless snow job that BIG MARIJUANA has propagated in this country and that he had internalized as TRUTH:

THAT marijuana is NOT addictive.

THAT marijuana is merely a harmless pleasure.

I stand here on behalf of my family and the countless number of families I have met in 3 years whose lives have been upended by addiction. Many of those stories are far more tragic than mine, but dead kids can't speak and the parents of those children are often too traumatized.

If YOU vote to legalize recreational marijuana, YOU will have blood on your hands.

YOU will be responsible for encouraging marijuana use and for the steady increase in use and addiction that already exists in the District. The district already has some of the highest rates of marijuana use in the nation.

YOU will be responsible for every family brought to its knees by this drug and by the drugs that follow once the high from marijuana is no longer high enough.

YOU will be responsible for every injury and fatality due to driving under the influence of marijuana.

Greetings

My name is Kymone Freeman, angry Black man in therapy, and co-founder of We Act Radio who just celebrated our 10th anniversary last week. My pronouns are me / we. I would like to start off by quoting my good friend Chairman Phil Mendelson who spoke at the DC Council breakfast, addressing a recent controversial emergency bill that would have ramped up enforcement against marijuana “gifting” stores.

"I feel very little sympathy for these black market entrepreneurs who are violating the law, what we have is an unregulated market which there is no quality control... probably no taxes being paid. I mean, it's just illegal. I'm not feeling a lot of sympathy there," continues Mendelson.

I would like to ask the Chairman has he tried any cannabis in the unregulated market? Because I can assure you, most of it is of high quality. Thankfully, the draconian enforcement provisions that were originally included have all been removed because of lack of support.

"Now that it is out in the open... On behalf of the Black Delegation I would like to thank the Chairman for his brutal honesty. However, a Grey market is a much more appropriate term to describe marijuana “gifting” stores and their actions amount to a form of modern day civil disobedience to a racist system that at every turn has sought to criminalize and disenfranchise Black people and has done very little to correct the inequity that American apartheid has created.

I wonder if the Chairman patronizes Amazon who also pays \$0 income taxes and in fact the overseers of our DC plantation in Congress who sit on the hill in a building constructed by enslaved Black people are currently planning to provide an unregulated \$10 billion dollar handout of tax payer money to Jeff Bezos for space exploration as part of the defense spending bill. I too, am not feeling a lot of sympathy there.

Now, imagine walking past the DC Jail, where inmates being held on weed charges were forced to live in horrible conditions until White Supremacists that stormed the Capitol, built by their enslaved ancestors, on Jan 6th in a failed coup attempt were held there temporarily and complained about those very same conditions but this time it resulted in inmates being transferred. Imagine walking past this facility of inequity on your way to the National Cannabis Festival held just a few blocks away. Where the nearly 100% Black inmate population could hear Redman and Method Man on stage and possibly smell cannabis in the air being consumed by a diverse audience. Many of them hailing from public housing where the possession or consumption of cannabis is still a criminal offense. While those that own private property are able to exercise their freedoms.

This legislation is a good start to address the big medical weed dispensaries valid issue to serve their patrons who were denied services due to expired medical cards as a result of government gridlock during covid. It is a good start to open up the cannabis industry to those that were originally barred from participating initially. However, it stops short of providing a clear pathway for small businesses in the Grey Market to obtain licenses as I71 compliant vendors so they can participate in the cannabis industry and pay taxes unlike the multi-billion dollar Amazon corporation. It stops short of addressing the continued criminalization of Black people who suffered the most under the racist War on Drugs but it is a good start to begin to apply a racial equity lens to public policy.



**Statement of Aurélie Mathieu
Assistant Attorney General for Policy and Legislative Affairs
Office of Attorney General for the District of Columbia**

Before the

**Committee of the Whole
Committee on Business and Economic Development
Committee on the Judiciary and Public Safety
The Honorable Phil Mendelson, Chairman
The Honorable Kenyan McDuffie, Chair
The Honorable Charles Allen, Chair**

Public Hearing

on

**Bill 24-0118, the “Comprehensive Cannabis Legalization and Regulation Act
of 2021” and Bill 24-113, the “Medical Cannabis Amendment Act of 2021”**

**Friday, November 19, 2021
9:00 am**

Virtual via Zoom

Greetings Chairman Mendelson, Councilmembers, staff, and residents of the District of Columbia. My name is Aurélie Mathieu and I have the privilege of serving as Assistant Attorney General for Policy and Legislative Affairs at the Office of the Attorney General for the District of Columbia (OAG). I am pleased to appear before the Committee of the Whole, the Committee on Business and Economic Development, and the Committee on the Judiciary and Public Safety on behalf of Attorney General Karl A. Racine to testify in support of Bill 24-0118, the “Comprehensive Cannabis Legalization and Regulation Act of 2021”

As the Council well knows, in 2014, after District residents voted overwhelmingly in favor of it, the Council passed legislation permitting individuals in the District to possess, grow and use small amounts of cannabis in their homes. However, because the District lacks statehood, Congress has control over how the District spends its own money. And so, after the legislation passed, Congress included in its budget act, and every subsequent budget act, a rider that prevents the District from regulating or further legalizing cannabis.

This Congressional action has prevented the District from regulating the sale of cannabis to ensure the product being sold is safe and transactions are secure; from addressing “gray markets” and protecting public safety; from taxing cannabis sales, depriving the District of an important funding stream; and from creating a cannabis market that is inclusive and remedial to communities that have been hurt the most by the war on drugs. Finally, it appears Congress is poised to pass a budget act that does not include the rider, providing the District with the opportunity to enact a legalization, taxation, and regulatory scheme that reflects the will of our residents.

I commend Chairman Mendelson and his team for the thorough, thoughtful, and comprehensive legislation that incorporates best practices from other states, and for holding this hearing to receive input from community members. I also want to thank Judiciary and Public Safety Chair Allen, Chair Pro Tempore McDuffie, other Councilmembers, and the public; especially, groups that support opportunities for returning citizens for all the work they have done to bring us to this moment.

I want to emphasize that the process of moving forward with the regulation of a new industry is not static. Therefore, the Council must be prepared to swiftly make adjustments as well as to continue to survey the best practices that have been developed in jurisdiction that have already moved forward with a regulatory framework. Together, we can build on this important work so that, when the District finally is able to set up a legalized market for cannabis, the District will be positioned to enact effective legislation that protects public safety and addresses racial inequities.

1. Remedying the injustices stemming from the over-criminalization of cannabis.

Racial disparities in the enforcement of cannabis laws, and the accompanying harms to minority communities, have been well documented, but are often not sufficiently addressed.¹ As we work towards establishing a legal adult recreational market for cannabis, one of our over-arching goals must be to ensure that the communities of color who were most harmed by the War on Drugs have

¹ See, e.g., “*Marijuana’s racist history shows the need for comprehensive drug reform*,” John Hudack, Brookings, June 23, 2020, available at <https://www.brookings.edu/blog/how-we-rise/2020/06/23/marijuanas-racist-history-shows-the-need-for-comprehensive-drug-reform/>

ready access to the plethora of opportunities that a legal recreational regime affords. The system we enact should strive address as many of the traumatic harms that minority communities have suffered because of cannabis prohibition and over-criminalization. Therefore, the primary goals must be (1) reducing barriers to entry for minority-owned businesses, and (2) remedying injustices stemming from the over-criminalization of cannabis. This bill includes important and thoughtful provisions designed to advance these goals.

First, the bill includes a Social Equity Applicant Program, under which at least half of all cannabis-business licenses would be set aside for residents who have been convicted of cannabis-related offenses or have lived ten of the last twenty years in areas with high rates of poverty, unemployment, and cannabis-related arrests. Thirty percent of tax revenues from the sale of cannabis would be deposited into a Cannabis Equity and Opportunity Fund to provide loans, grants, and technical assistance to these applicants, providing real opportunities for those most harmed by past policies to benefit from the now-legal market.

Next, the bill includes a community reinvestment program for communities most impacted by the War on Drugs. Fifty percent of tax revenues from the sale of cannabis would be deposited into a Community Reinvestment Program Fund, which would be used to provide grants to community-based organizations working on economic development, homeless prevention, support for returning citizens, mental health and substance use treatment, and civil legal aid in areas with high levels of gun violence, unemployment, or child poverty. Importantly, those community reinvestment grants would be overseen by a board that includes community members and people who were formerly incarcerated.

The bill also importantly requires the automatic expungement of D.C. Code cannabis-related arrests and convictions, and provides an opportunity for people currently incarcerated for cannabis related offenses to have their sentence modified, vacated, or set aside. The Council should consider adding a deadline for the processing of automatic expungements, as modeled by legislation passed in Virginia and Illinois.² Because expungement is a critical aspect of reform, we should ensure that it is implemented without delay.

The Council also should consider including in the bill provisions for the licensing of consumption spaces. The genuine concerns that neighbors, residents - including seniors - have that legalization will expose them to cannabis smoke in their living spaces, must be heard. This is important, because, while studies show that cannabis use is equally prevalent among Blacks and whites, in the four years after possession of cannabis was legalized in the District, 84 percent of more than 900 people arrested for public consumption in the District were Black.³ If people who live in rental or public housing or who have no permanent housing do not have a legal place to consume cannabis, they disproportionally risk eviction or criminalization for public consumption. The existence of spaces in which it is legal to consume cannabis could help address this inequity.

²<https://www.ilga.gov/legislation/fulltext.asp?DocName=&SessionId=108&GA=101&DocTypeId=HB&DocNum=2734&GAID=15&LegID=118978&SpecSess=&Session=>

³ “D.C. legalized marijuana, but one thing didn’t change: Almost everyone arrested on pot charges is Black,” Paul Schwartzman and John D. Harden, the Washington Post, September 15, 2020.

2. Protecting Public Health, in particular the health of children

Our adult-use cannabis market must be just that—an adult use market. It also must protect public safety by tamping down underground and gray markets and ensuring revenues are used to address some of the potential harms of substance use. This bill includes important provisions to promote public health, protect legitimate markets against un-regulated and untaxed markets, address substance abuse issues, and protect children.

Of course, this bill continues to prohibit the use of cannabis by people under 21 and prohibits the sale of cannabis to people under 21. The bill also prohibits methods of marketing that are geared toward children. For example, advertisements may not include animals, cartoon characters, or other images particularly appealing to children and adolescents; depict someone who is or appears to be under 21 consuming cannabis; or promote excessive consumption. And radio or television advertisements can only run when the audience is mostly adults. The bill also creates a public education campaign, including on the effects and potentials risks associated with each method or cannabis use, the health effects of cannabis use, and responsible use and harm reduction strategies. And it addresses gray markets by setting up licensing and enforcement mechanisms, and clarifying that it is unlawful to give cannabis for free to a person in exchange for their purchasing another item or service or making a donation, or paying a cover charge for a party or event.

3. Continued Developments

Finally, given the nascent nature of the cannabis market, our cannabis policy must be nimble, and capable of adapting effectively to lessons learned here in the District and other jurisdictions, and to ensure we are accomplishing our goal of establishing an inclusive and opportunity-rich cannabis market that protects public safety. To address this need, this bill establishes a Marijuana Advisory Committee that will actively review the development of the industry with a clear eye toward making necessary changes that comport with the best practices that emerge in the laboratories of the states that have already legalized recreational cannabis. It will include my office, and I thank the Council for including the Office of the Attorney General in this important work. Importantly, the Committee also will include people from disproportionately impacted areas of the District, experts in criminal justice reform and racial and economic justice, and the Public Defender Service. I urge the Council to specifically including on the Committee someone who entered the criminal justice system as a result of a cannabis-related offense.

Conclusion

I am grateful to the work of the Council on this issue. The District will be well-situated to implement an effective cannabis regulatory and taxation framework immediately after passage of a budget bill that respects the autonomy of the District on this issue. I believe this bill represents a thoughtful and effective measure to ensure the District's cannabis policy protects public safety, promotes District interests, and meaningfully address decades of racially inequitable cannabis policy and policing. I look forward to working with the Council and all stakeholders to develop ideas to refine the bill, as necessary, as it moves towards passage by this Council. We will continue our review of the legislation and submit additional comments in the pursuit of establishing a robust regulated recreational cannabis market. I appreciate the opportunity to testify in support of this important bill and am happy to answer any questions that members may have.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Alcoholic Beverage Regulation Administration



Testimony of
Fred P. Moosally
Director

PUBLIC HEARING ON
B24-113 - "MEDICAL CANNABIS AMENDMENT ACT OF 2021"
AND
B24-118 - "COMPREHENSIVE CANNABIS LEGALIZATION AND REGULATION ACT OF 2021"

Before the

Committee of the Whole
Chairman Phil Mendelson

&

Committee on Business and Economic Development
The Honorable Kenyan McDuffie, Chairperson

&

Committee on the Judiciary and Public Safety
The Honorable Charles Allen, Chairperson

Friday, November 19, 2021
9:00 AM

Virtual Meeting Platform
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good morning, Chairman Mendelson, Chairperson McDuffie, Chairperson Allen, members of Council staff, and members of the public. My name is Fred Moosally, and I am the Director of the Alcoholic Beverage Regulation Administration (ABRA). I would like to thank the three Committee Chairs for holding a hearing on these important pieces of legislation. The current lack of a regulatory system for adult cannabis sales in the District has proven to be both unworkable and detrimental to the public health and safety of District residents and visitors. Our agency looks forward to working collaboratively with the Council on this cannabis legislation to make the District a model for other jurisdictions to follow as we benefit District residents.

I am here today to testify in support of Bill 24-113, the “Medical Cannabis Amendment Act of 2021” (Medical Cannabis bill). Our agency also supports Bill 24-118, the “Comprehensive Cannabis Legalization and Regulation Act of 2021” (Adult Cannabis bill) with some changes.

First, I would like to thank the Mayor for transmitting the Medical Cannabis bill to the Council that makes several important changes to the District’s medical cannabis program. Our agency supports the Medical Cannabis bill as introduced; therefore I will spend much of my time discussing the Adult Cannabis bill.



My comments today regarding the Adult Cannabis bill fall into six substantive categories which are: (1) social equity; (2) combatting the illegal market; (3) maintaining a strong medical cannabis program; (4) cannabis business operations; (5) the application process; and (6) proposed agency operations. Our agency looks forward to following-up separately with the three Committees regarding our proposed technical changes to the Adult Cannabis bill.

1. Social Equity

First, when discussing social equity, it is critical that returning citizens and individuals arrested for cannabis and other drug offenses be permitted to own and work at cannabis businesses. It is also critical that there be clear objective criteria regarding which convictions serve as a bar to ownership as well as for what length of time. The Council recognized this earlier this year when it adopted the Medical Cannabis Emergency Amendment Act of 2021 that allowed all returning citizens with convictions for cannabis and other drug offenses to work at and own cannabis businesses. This Council-adopted legislation serves as a model for criminal background criteria. Our agency recommends that this same language be adopted as the criteria for issuing an adult cannabis license. ABRA strongly believes that



returning citizens with a previous felony conviction should not be prohibited from working at a cannabis business.

It is also imperative that social equity applicants have immediate access to loans and grants. Last month, through Council funding, the Department of Small and Local Business Development's (DSLBD) Innovation and Equitable Development division successfully launched the "Just Cannabusiness" program to create a more equitable cannabis industry by providing financial and technical assistance to social equity applicants. ABRA is happy to partner with DSLBD on this important initiative. Our agency supports keeping this loan and grant authority for social equity applicants housed with DSLBD. The "Just Cannabusiness" program would benefit greatly from annual funding from the proposed Cannabis Equity and Opportunity Fund as the current funding level of \$300,000 is not sufficient in light of the millions of dollars that are necessary to start and operate a cannabis business. In providing grants and loans to social equity applicants, our agency also recommends that a cap be placed on an applicant's net worth to be eligible. The current draft of the Bill would allow qualifying multi-millionaires to be eligible for grants and loans.

The operation of medical cannabis delivery in the District has demonstrated the need to create a third-party delivery license. Similar to Massachusetts, a third-party



delivery license provides a great opportunity for social equity applicants to enter the adult cannabis and medical cannabis markets. To accomplish this, a third-party delivery license could be limited to social equity applicants for the first two years.

ABRA also supports the Adult Cannabis bill reinvesting 50 percent of the collected sales tax into the community, including to address urgent needs such as job placement and training, educational services, and workforce development. Of note, the pandemic has highlighted the racial and social disparities that currently exist in the District and elsewhere. Rather than wait a year or more to disperse these funds and navigate a number of potential conflict of interest challenges, our agency believes the better approach is to fund these priorities largely through existing programs at current District agencies that can more quickly get funding issued for these priorities.

Our agency supports reducing the licensing fees for a social equity applicant. However, our agency recommends that a social equity applicant be entitled to a reduced fee for the first five years rather than for an indefinite period of time. The five-year period matches the period of time that a social equity applicant cannot transfer their license without penalty.



2. Combatting the Illegal Market

Second, in addition to licensing adult cannabis sales, it is imperative that the Bill take additional steps to help curtail the illegal market. To help combat the illegal cannabis market, the District also needs to legalize and regulate CBD and hemp. Specifically, an April 28, 2021 opinion from the Office of the Attorney General makes clear that notwithstanding Federal legislation, CBD and hemp remain illegal in the District of Columbia. The current lack of regulation in this area has resulted in the expanded operation of illegal businesses in the District selling untested CBD that in some instances is higher-level THC cannabis. New York serves as a model of how CBD could be regulated in the District.

To compete with and help eliminate the illegal market, off-premises retailers will also need to be competitive in the quantities and amenities that they can offer to customers. The Adult Cannabis bill would limit customers to purchasing one ounce of usable cannabis flower in a day even though it is legal for individuals to possess two ounces of usable cannabis flower. As the District seeks to eliminate the illegal market, customers should be encouraged to purchase their legal possession limit from the legal market. Along these lines, our agency recommends that customers be permitted to purchase two ounces of usable cannabis flower in a day.



The Adult Cannabis Bill also prohibits the delivery of cannabis to licensed businesses, including hotels. To compete with and help eliminate the illegal market, legal cannabis delivery is critical and off-premises retailers will need to be able to deliver cannabis to businesses, where permitted, including hotels. Additionally, from a policy perspective, the delivery of cannabis to guests of hotels rooms, is likely to reduce the possibility of impaired driving in the District. Anti-smoking laws continue to apply in the District, and hotels remain free to ban smoking in all rooms, so we anticipate that deliveries of edibles and non-combustible cannabis to hotels would be a popular option with visitors.

3. Ensuring a Strong Medical Cannabis Program

Third, it is imperative that incentives be put in place to maintain a strong medical cannabis program. States that have failed to do so have seen both medical cannabis patient enrollment and sales decrease dramatically. Along these lines, our agency supports utilizing a portion of the sales tax from adult cannabis sales to phase out and eliminate the six percent sales tax on medical cannabis and medical cannabis products. This will serve as an incentive for qualifying patients to stay in the medical cannabis program and continue to see a healthcare provider.



Additionally, a patient card of two years or more is needed to help attract patients into the medical cannabis program. Of note, the medical cannabis program thrived for the first eleven months of FY 2021 as a result of the expired deadline for patient cards being extended due to the Covid-19 pandemic. It is worth noting that many other states offer a two-year medical cannabis card.

To support a strong medical cannabis program, the Adult Cannabis bill should also be amended to require off-premises retailers that are also serving as dispensaries to obtain a medical cannabis endorsement. This will allow our agency and the public to know which cannabis businesses are selling and delivering medical cannabis to qualifying patients and properly licensed businesses. Our agency has no objection to not charging medical cannabis off-premises retailers for this endorsement.

Finally, ABRA supports allowing cannabis businesses to be able to take tax deductions that are disallowed by IRS Code Section 280E. This change would benefit both existing medical cannabis businesses and prospective adult cannabis businesses.



4. Cannabis Business Operations

Fourth, our agency believes that several changes to the Adult Cannabis bill are needed that relate to cannabis business operations. To start, ABRA recommends that the bill be amended to delete the requirement that all licensed cannabis establishments submit a public space plan. The potential impact of cannabis businesses on specific neighborhoods, including traffic and parking, will be covered by ANC's, community organizations, and members of the public, as part of the 45-day public comment period. Concerns and changes on the issues of traffic and parking can and will often be addressed and memorialized in settlement agreements reached by the parties.

The Adult Cannabis bill should also be amended to create a manager's license and require that a manager or owner be on-duty during the hours that cannabis is being sold by an off-premises retailer. The requirement of having a licensed manager on-duty is currently required for all off-premises alcohol retailers.

The Adult Cannabis bill also does not include requirements for the disposal of waste. Cannabis waste is currently disposed of by the Metropolitan Police Department. The



bill should clarify that licensed businesses can compost or incinerate medical cannabis waste.

Additionally, the bill should be amended to allow off-premises retailers and microbusinesses to sell T-Shirts and other products and not limit off-premises retailers and microbusinesses to only sell cannabis and cannabis products. This change will help to promote creative and innovative business models in the District.

Our agency also supports modifying the bill's prohibition on a licensed off-premises retailer or microbusiness giving away free cannabis products as part of a promotional giveaway when advancing some other important public policy goal. Specifically, our agency has no issue with customers receiving free cannabis products in exchange for receiving a COVID-19 vaccine.

Furthermore, the Adult Cannabis bill should be amended to clarify that notwithstanding any other District law, regulation, or procedure, a properly labeled beverage containing THC may be placed in a can or bottle. Specifically, in light of the dangers of second-hand cannabis smoke, the District should allow for the consumption of cannabis through methods other than smoking.



5. Application Process

Fifth, our agency believes that several changes are needed to the proposed application process contained in the Adult Cannabis bill. To start, applications for the first year should be limited to social equity applicants. Existing medical cannabis businesses should be permitted to apply to opt in and be approved for adult cannabis sales at their current locations. The Adult Cannabis bill does not currently prevent existing medical cannabis businesses from applying for additional licenses at new locations during the first year.

Additionally, the current Adult Cannabis bill would allow existing medical cannabis cultivation centers and dispensaries to pay a lower licensing fee as a result of adding adult cannabis sales. The current annual fee for medical cannabis dispensaries is \$16,000. The current annual fee for cultivation centers is \$11,000. The Adult Cannabis bill proposes to allow existing dispensaries and cultivation centers to sell cannabis for both medical and adult use for \$7,000 annually. There is no need for such a cut. As drafted, the Adult Cannabis bill purports to allow existing medical cannabis businesses to cut their annual fees by thousands of dollars by agreeing to have adult cannabis sales. At a minimum, the annual fee for existing medical cannabis businesses should be \$12,000 annually. Similar to alcohol licenses, the



Adult Cannabis bill should establish the minimum annual fee to be charged for each license category. Providing the Board this authority would also ensure that different tiers of cultivation center licenses are not charged the same annual fee. Huge growers should have larger license fees than smaller gardens.

The Adult Cannabis bill should also be amended to create a substantial change application process similar to the one that exists for alcohol licensees to allow cannabis businesses to request changes to their business, such as changing their hours of operation or expanding their licensed premises.

Finally, the Adult Cannabis bill should be amended to prohibit adult cannabis sales in the District until a licensed testing laboratory is operational in the District.

6. Proposed Agency Operations

Sixth, the Adult Cannabis bill in its current form would hurt our agency's ability to operate and be a model jurisdiction. Of note, there is no dedicated funding in the bill to support ABRA, or under the new name, ABCA, the Alcoholic Beverage and Cannabis Administration, because all of the collected licensing fees are proposed to go into the Cannabis Equity and Opportunity Fund and the General Fund. ABRA's



ability to thrive as a multiple award winning independent agency stems from its ability to be self-sufficient with its own O-type revenue stream. Along these lines, it is imperative that our agency be able to retain all collected licensing fees in a revolving O-type fund. Our agency has no issue with collected fine monies going to the General Fund. Our agency supports funding the Cannabis Equity and Opportunity Fund from 30 percent or more of the collected sales taxes.

Additionally, the bill should be amended to provide the Board with broad rulemaking authority to issue rules on a number of areas not covered by the bill. These areas include but are not limited to: (1) how cannabis may be transported by cannabis businesses throughout the supply chain; (2) what happens when a cannabis product fails testing, including whether remediation is permitted; (3) establishing and implementing warning sign requirements; (4) clarifying the security requirements that a cannabis business must have in place to operate; and (5) whether gifts are permitted from cultivation centers to off-premises retailers. Similar to the medical cannabis program, the Board should also have the authority to propose rules to change customer purchasing limits.

Finally, our agency supports the creation of a Cannabis Advisory Committee to assist the Board with the specific and comprehensive task of drafting the initial adult



cannabis regulations. Rather than indefinite or three-year terms, our agency supports keeping the Cannabis Advisory Committee in place for 18 months or until the initial adult cannabis regulations are approved by the Council.

Thank you for allowing me to speak on these important pieces of legislation. I am available to respond to the Committee's questions.





COUNCIL OF THE DISTRICT OF COLUMBIA

THE JOHN A. WILSON BUILDING
1350 PENNSYLVANIA AVENUE, NW
WASHINGTON, D.C. 20004

KENYAN R. McDUFFIE
Councilmember, Ward 5
Chair Pro Tempore
Chair, Committee on Business and
Economic Development

Committee Member
Transportation and the Environment
Recreation, Libraries and Youth Affairs
Housing and Executive Administration

November 29, 2021

Fred Moosally, Director
Alcoholic Beverage Regulation Administration
2000 14th Street, NW, S400
Washington, DC 20009

Dear Director Moosally:

Thank you for testifying before the Committee of the Whole, Committee on Business and Economic Development, and Committee on Judiciary and Public Safety on Friday, November 19, 2021 regarding Bill 24-113, the “Medical Cannabis Amendment Act of 2021” and Bill 24-118, the “Comprehensive Cannabis Legalization and Regulation Act of 2021”. Below are additional questions I would like to ask to complete the record for Bill 24-113. **Please provide your response to the following questions by 5:00 p.m. Wednesday, December 8, 2021.**

1. The proposed legislation increases the cap for medical dispensaries from 8 to 16. Please explain how the agency arrived at the number 16, which would double the number of dispensaries in the District.
 - a. Considering that the District, unlike many other jurisdictions, is completely urban and the cost of real estate is exponentially higher than our neighboring jurisdictions, how likely is it that a successful applicant would actually establish a medical dispensary following receipt of a license?
 - b. Stakeholders have expressed concern that the cultivation and dispensary licenses may be too concentrated in a particular Ward of the city. For instance, some believe zoning in a particular Ward may be more attractive to prospective businesses or that the cost of real estate in a particular Ward may be far more affordable than other Wards. Does your agency have plans to ensure facilities with these licenses will be evenly located across all eight Wards of the city?
 - c. Is there a need for a survey or study to be conducted first to determine the number of additional dispensary licenses that should be made available to the public? How

do other jurisdictions determine the number of licenses that should be made available to the public?

2. The increase in dispensary licenses may inadvertently result in higher demand for cultivation centers to produce more cannabis plants. By your assessment, do you believe that the cultivation centers we currently have will fully meet the demand created by the additional dispensaries?
3. There are currently 8 cultivation centers in the District. ABRA intends to make two more cultivation licenses available to the public in the coming months. How did ABRA determine the number of cultivation centers to license within the District?
4. D.C. Official Code § 7-1671.06 creates a social equity framework for prospective applicants seeking a medical cannabis cultivation center, dispensary, and testing lab license in the District. This bill however adds new categories of applicants who may already be considered social equity applicants under the current law and who may also qualify for the additional preference points. Please discuss in detail why these new categories of applicants were created.
 - a. Furthermore, will these new categories be required to comply with the medical cannabis certified business enterprise requirement stated in paragraph 5(B)? If not, please discuss in detail why not.
5. In terms of identifying a better approach that would truly place social equity applicants on an even playing field that would enable them to compete for licenses on the supply side, please discuss some pros and cons in using the scoring system versus a set-aside.
6. Earlier this year, the Committee removed the blanket prohibition on persons with felony convictions from working in a medical cannabis establishment or owning a medical cannabis cultivation center, dispensary, or testing lab license. The Committee worked very closely with ABRA to get this accomplished. However, there are still restrictions on some felony convictions on who may not be allowed to own or work in a medical cannabis establishment. The bill restricts “felony conviction for a crime of violence, a gun offense, or for tax evasion, fraud or credit card fraud [committed] within the 3 years preceding the date the application is filed with ABRA...”
 - a. If a convicted felon has served his or her time for any of these crimes, and it is clear that he or she is a law-abiding citizen of the District, do you have any reservations or concerns in removing these limitations? If you do, please share them.
7. The proposed legislation prohibits a holder of a dispensary delivery endorsement from delivering cannabis products to qualifying patients on District government property. Can you please explain why there is a restriction on District government property?

8. The proposed legislation also prohibits a holder of a dispensary delivery endorsement from delivering cannabis products more than once per day to a particular patient or patient's caregiver. Please provide a rationale on why this restriction exists.
9. In line with social equity, more Black and Brown entrepreneurs may enter the cannabis industry through owning a delivery endorsement or license. Rather than restricting delivery endorsements to only dispensaries, has the agency considered opportunities in which independent delivery businesses may obtain licenses and begin to deliver cannabis products to patients? The Committee estimates that the primary role of the business would be to deliver cannabis and not to facilitate the sale of cannabis or undertake any other transaction.
10. The proposed legislation states that the Board may issue a fine against a dispensary or suspend or revoke its registration if the delivery driver fails to confirm the identity and age of the qualifying patient by checking their government issued ID. How does the agency plan to enforce this?

Please note that your response would be made available to the public. If there are answers or documents that should be redacted, please provide my staff with an unredacted copy for the Committee and a redacted copy for public review. Please contact Ogochukwu Chike, Legislative Director, at ochike@dccouncil.us or (202) 674-3352, with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K.R. McDuffie'.

Kenyan R. McDuffie

cc: Chairman Phil Mendelson
Councilmember Charles Allen



December 8, 2021

The Honorable Councilmember Kenyan McDuffie
John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 506
Washington, D.C. 20004

RE: Medical Cannabis Bill Follow-Up Questions

Dear Chairperson McDuffie:

This letter is in response to your November 29, 2021 written request for additional information related to Bill 24-113, the "Medical Cannabis Amendment Act of 2021" (Medical Cannabis bill). ABRA's responses to the ten questions received from the Committee are set forth below.

1. The proposed legislation increases the cap for medical dispensaries from 8 to 16. Please explain how the agency arrived at the number 16, which would double the number of dispensaries in the District.

Response: The proposed cap number is based upon D.C. Code § 7-1671.06(d)(2) that limits the number of permitted dispensaries within an election ward to two. The Medical Cannabis bill is not proposing to change the two dispensaries per election ward limit set forth in D.C. Code § 7-1671.06(d)(2). Of note, there are currently two medical cannabis dispensaries operating in Ward 2. Ward 3 and Ward 5 do not currently have a medical cannabis dispensary.

- a. Considering that the District, unlike many other jurisdictions, is completely urban and the cost of real estate is exponentially higher than our neighboring jurisdictions, how likely is it that a successful applicant would actually establish a medical dispensary following receipt of a license?

Response: It is more likely that a medical cannabis dispensary will open than other types of medical cannabis businesses as their costs are less prohibitive than a cultivation center or testing laboratory. For social equity applicants, access to additional funding will be important. Our agency supports the Council's continued funding of the Department of Small and Local Business Development (DSLBD) Innovation and Equitable Development division's "Just Cannabusiness" program. The "Just Cannabusiness" program was established to create a more equitable cannabis industry in the District by providing financial and technical assistance to social equity applicants.



- b. Stakeholders have expressed concern that the cultivation and dispensary licenses may be too concentrated in a particular Ward of the city? For instance, some believe zoning in a particular Ward may be more attractive to prospective businesses or that the cost of real estate in a particular Ward may be far more affordable than other Wards. Does your agency have plans to ensure facilities with these licenses will be evenly located across all eight Wards of the City?

Response: Yes. Our agency intends to follow D.C. Code § 7-1671.06(d)(2) that limits the number of permitted dispensaries within an election ward to two. Additionally, our agency is currently only seeking medical cannabis dispensary applications for Wards (Ward 3 and Ward 5) that do not currently have a licensed medical cannabis dispensary. Our agency is also no longer accepting cultivation center applications for Ward 5 as the statutory cap of six set forth in D.C. Code § 7-1671.06(d)(3)(A) has been reached. This will result in cultivation centers opening outside of Ward 5 where no other Ward currently has more than one operating cultivation center. It is worth noting, however, that the District's existing zoning laws may prohibit an equitable distribution of cultivation centers to all eight wards.

- c. Is there a need for a survey or study to be conducted first to determine the number of additional dispensary licenses that should be made available to the public? How do other jurisdictions determine the number of licenses that should be made available to the public?

Response: A survey or study is not needed at this time as our agency is only seeking to issue a medical cannabis dispensary license for the two wards (Ward 3 and Ward 5) that do not currently have a single dispensary. The request for eight additional dispensaries is intended to provide our agency with the flexibility to prepare for and address medical cannabis patient needs should adult cannabis sales become legal in the future.

Jurisdictions vary regarding how they determine the number of dispensary licenses that should be made available to the public. For example, Ohio examines the number of registered patients located in a specific district. Of note, legislation introduced in Ohio in November 2021 seeks to achieve a ratio of at least one medical cannabis dispensary per 1,000 registered patients up to the first 300,000 registered patients and then adding additional dispensaries on an as-needed basis. Other jurisdictions, such as West Virginia, which has a cap of 100 medical cannabis dispensaries and permits vertical integration, are much less restrictive regarding the number of medical cannabis dispensaries that can be approved for a specific district or region.

2. The increase in dispensary licenses may inadvertently result in higher demand for cultivation centers to produce more cannabis plants. By your assessment, do you believe that the cultivation centers we currently have will fully meet the demand created by the additional dispensaries.



Response: Our agency does not intend to make any of the additional proposed eight dispensary licenses available for application until additional cultivation centers start operating in the District. Additional operating cultivation centers in the District will be necessary to support the additional proposed eight dispensaries.

3. There are currently 8 cultivation centers in the District. ABRA intends to make two more cultivation licenses available to the public in the coming months. How did ABRA determine the number of cultivation centers to license within the District.

Response: Our agency decided to make two additional cultivation center licenses available in response to multiple comments from dispensaries regarding the ability of the District's existing cultivation centers to fulfill their medical cannabis order requests and satisfy patient demand. The agency determined that the addition of two additional cultivation centers would help to satisfy patient demand at the eight statutorily permitted dispensaries, while also avoiding any potential diversion issues, as a result of excess medical cannabis, faced by other jurisdictions, including Maine.

4. D.C. Official Code § 7-1671.06 creates a social equity framework for prospective applicants seeking a medical cannabis cultivation center, dispensary, and testing lab license in the District. This bill however adds new categories of applicants who may already be considered social equity applicants under the current law and who may also qualify for the additional preference points. Please discuss in detail why these new categories of applicants were created.

Response: To further social equity in the District, the Medical Cannabis bill would award 50 preference points or 20% of the available points, whichever is more, to a returning citizen or a District resident who has been arrested or convicted of a cannabis offense. The intent of this new category is to award preference points to returning citizens or District residents who have had their lives directly impacted by a prior cannabis conviction or arrest. This concept is in line with other jurisdictions who have taken into account prior cannabis convictions and arrests in awarding cannabis licenses. The Bill also awards 10 preference points or 4% of the available points, whichever is more, to veteran-owned business enterprises certified by DSLBD. The intent of this provision is to also recognize the importance of veteran-owned certified business enterprises to the District.

- a. Furthermore, will these new categories be required to comply with the medical cannabis certified business enterprise requirement stated in paragraph 5(B)? If not, please discuss in detail why not.

Response: A veteran-owned certified business enterprise would also need to qualify as a medical cannabis certified business enterprise to be eligible to receive 50 preference points or 20% of the



available points, whichever is more. Otherwise, the veteran-owned certified business enterprise would only be entitled to receive 10 preference points or 4% of the available points, whichever is more. A returning citizen or a District resident who has been arrested or convicted for a cannabis offense would not be required to qualify as a medical cannabis certified business enterprise in order to receive the 50 preference points or 20% of the available points, whichever is more. Similar to other jurisdictions, the policy reason for this change is to take into account returning citizens and District residents prior cannabis convictions and arrests when awarding new cannabis licenses.

5. In terms of identifying a better approach that would truly place social equity applicants on an even playing field that would enable them to compete for licenses on the supply side, please discuss some pros and cons in using the scoring system versus a set-aside.

Response: With regard to social equity, the advantage of utilizing a scoring system is to ensure that the social equity applicant who receives the 50 preference points is able to satisfy the threshold requirements for operating a medical cannabis business. For a social equity applicant seeking to operate a cultivation center, this would include the applicant meeting various threshold requirements including those related to security, cultivating medical cannabis and implementing a product safety and labeling plan. The disadvantage of utilizing a scoring system as it relates to social equity is the possibility that a license is awarded to a non-social equity applicant who receives a higher score despite the social equity applicant receiving 50 preference points. The advantage of a set-aside system is it helps to ensure that medical cannabis licenses are awarded to social equity applicants. The disadvantage of a set aside system is that without making funding available to social equity applicants it may be difficult for social equity applicants to satisfy the threshold regulatory requirements necessary to open and result in more instances of straw ownership for ABRA to investigate and address.

6. Earlier this year, the Committee removed the blanket prohibition on persons with felony convictions from working in a medical cannabis establishment or owning a medical cannabis cultivation center, dispensary, or testing lab license. The Committee worked very closely with ABRA to get this accomplished. However, there are still restrictions on some felony convictions on who may not be allowed to own or work in a medical cannabis establishment. The bill restricts “felony conviction for a crime of violence, a gun offense, or for tax evasion, fraud or credit card fraud [committed] within the 3 years preceding the date the application is filed with ABRA”
 - a. If a convicted felon has served his or her time for any of these crimes, and it is clear that her or she is a law-abiding citizen of the District, do you have any reservations or concerns in removing these limitations? If you do, please share them.



Response: Our agency's position is that all returning citizens with a previous felony conviction should be permitted to work at a medical cannabis business regardless of the offense. With regard to ownership, ABRA appreciates the Committee working with our agency to allow ownership by individuals that were negatively impacted by the war on drugs and significantly reduce the types of felonies occurring within the previous three years that would prevent ownership. The limited number of remaining felonies that would prevent ownership for a three year period are intended to address such issues as: (1) ensuring patient credit card transactions are not being handled by an owner recently convicted of credit card fraud, (2) ensuring owners are paying their District and federal taxes and have not been recently convicted for felony tax evasion and (3) keeping unregistered guns out of medical cannabis businesses. Our agency believes that significantly reducing the types of felonies that prevent ownership will allow more returning citizens to own cannabis businesses.

7. The proposed legislation prohibits a holder of a dispensary delivery endorsement from delivering cannabis products to qualifying patients on District government property. Can you please explain why there is a restriction on District government property?

Response: The restriction on District government property is intended to cover recreation buildings operated by the District of Columbia Department of Parks and Recreation. If the Council would like to have medical cannabis delivered to District government buildings, our agency recommends that similar to schools, delivery to buildings operated by the District of Columbia Department of Parks and Recreation not be permitted.

8. The proposed legislation also prohibits a holder of a dispensary delivery endorsement from delivering cannabis products more than once per day to a particular patient or patient's caregiver. Please provide a rationale on why this restriction exists.

Response: In light of recent Council action to increase the number of ounces a qualifying patient can purchase in a 30-day period from four (4) to eight (8), ABRA has no objection to removing this restriction from the Bill.

9. In line with social equity, more Black and Brown entrepreneurs may enter the cannabis industry through owning a delivery endorsement or license. Rather than restricting delivery endorsements to only dispensaries, has the agency considered opportunities in which independent delivery businesses may obtain licenses and begin to deliver cannabis products to patients? The Committee estimates that the primary role of the business would be to deliver cannabis and not to facilitate the sale of cannabis or undertake any other transaction.

Response: Yes. As noted in our November 19, 2021 Council testimony our agency supports the creation of a third-party delivery license for social equity applicants. Similar to Massachusetts, a



third-party delivery license provides a great opportunity for social equity applicants to enter the cannabis market. Our agency supports limiting a newly created third-party delivery license to social equity applicants for the first two years.

10. The proposed legislation states that the Board may issue a fine against a dispensary or suspend or revoke its registration if the delivery driver fails to confirm the identity and age of the qualifying patient by checking their government issued ID. How does the agency plan to enforce this?

Response: Dispensaries are required to submit to ABRA on a weekly basis a “Cannabis Sales Delivery Manifest” (Manifest) for each qualifying patient that receives a medical cannabis delivery. The Manifest contains in relevant part (1) the recipient’s name, (2) the qualifying patient’s card number and (3) the signature of the person receiving the delivery. The dispensary’s Manifest submission to ABRA also includes a copy of the qualifying patient’s government issued ID. ABRA currently reviews these Manifest submissions to verify that dispensaries and their delivery drivers are obtaining and checking the information and documentation listed above for the qualifying patient.

I hope that the additional information above is helpful. If the Committee has any additional questions regarding the Medical Cannabis bill, please do not hesitate to let me know.

Sincerely,

Fred P. Moosally
Director
Alcoholic Beverage Regulation Administration

ATTACHMENT E



OFFICE OF THE GENERAL COUNSEL

Council of the District of Columbia
1350 Pennsylvania Avenue NW, Suite 4
Washington, DC 20004
(202) 724-8026

MEMORANDUM

TO: Councilmember Charles Allen

FROM: Nicole L. Streeter, General Counsel *NLS/DPG*

DATE: October 20, 2022

**RE: Legal sufficiency determination for Bill 24-113, the
Medical Cannabis Amendment Act of 2022**

The measure is legally and technically sufficient for Council consideration.

The bill would amend the Marijuana for Medical Treatment Initiative of 1999 to:

- Rename the phrase “medical marijuana” to “medical cannabis” and the word “marijuana” to “cannabis”;
- Provide definitions for “economically-disadvantaged individuals”, “manufacturers”, “medical cannabis certified business enterprises”, “non-resident cardholders”, “pesticides”, “returning citizens”, “social equity applicants”, “straw ownership”, “transitional licenses”, and “unregistered establishments”;
- Allow individuals 21 years of age or older to self-certify that they are utilizing cannabis for medical purposes;
- Increase the amount of dried cannabis that qualifying patients and caregivers may possess;
- Allow for the issuance of 2-year qualifying patient and caregiver registration cards;
- Require testing laboratories to test medical cannabis and medical cannabis products for mycotoxins, pesticides, and heavy metals;
- Establish a manufacturer’s license;
- Remove statutorily prescribed limits on the number of facilities that may locate in certain areas;
- Create criteria, application processes, preference points, and licensure prioritizations for social equity applicants and medical cannabis certified business enterprises;
- Remove the plant count limit;

- Prescribe the criteria for evaluating criminal histories;
- Create transitional licenses for unregistered establishments;
- Create safe use treatment facility, education tasting, and dispensary delivery endorsements;
- Amend the authorized uses of the Medical Cannabis Administration Fund to allow the Alcoholic Beverage Regulation Administration to use monies in the fund for equity, grants, and loans to social equity applicants and medical cannabis certified business enterprises; and
- Establish those equity, grant, and loan programs.

The bill would amend D.C. Official Code § 47-2844 to create a civil enforcement mechanism for businesses and commercial property owners illegally distributing or selling cannabis.

The bill would also amend Title 22-C of the District of Columbia Municipal Regulations to allow qualifying patients to establish residency in the District with one document, including a telephone bill or bank statement containing a District address.

I am available if you have any questions.

ATTACHMENT F

Comparative Committee Print
B24-0113
Committee on the Judiciary & Public Safety
October 21, 2022

Section 2

D.C. Official Code § 7-1671.01. Definitions.

For the purposes of this chapter, the term:

(1) "ABC Board" means the Alcoholic Beverage Control Board."

(1A) "ABRA" means the Alcoholic Beverage Regulation Administration.

(1B) "Adjacent" means located within the same physical structure as, and is abutting, adjoining, bordering, touching, contiguous to, or otherwise physically meeting.

(1C) "Administer" or "administration" means the direct introduction of medical ~~marijuana~~ cannabis, whether by inhalation, ingestion, or any other means, into the body of a person.

(1D) "Advanced practice registered nurse" means an individual licensed and in good standing to practice advanced practice registered nursing under District law.

(1E) "Authorized practitioner" means a physician, advanced practice registered nurse, physician assistant, dentist, or naturopathic physician who is licensed and in good standing to practice under District law.

~~(2) "Bona fide relationship with a qualifying patient" means a relationship between an authorized practitioner and qualifying patient for which the authorized practitioner:~~

~~(A) Has completed a full assessment of the patient's medical or dental history and current medical or dental condition, including a personal physical or dental examination; and~~

~~(B) Has responsibility for the ongoing care and treatment of the patient.~~

(2A) "Cannabis" shall have the same meaning as provided in section 102(3) of the District of Columbia Uniform Controlled Substances Act of 1981, effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.02(3)).

(3) "Caregiver" means a person who:

~~(A) Is designated by a qualifying patient as the person authorized, on the qualifying patient's behalf, to possess, obtain from a dispensary, dispense, administer, and assist in the administration of medical marijuana;~~

~~(B) Is registered with ABRA as the qualifying patient's caregiver;~~

~~(C) Is not currently, with the exception of caregivers providing services on behalf of nursing homes and hospices, as those terms are defined in § 44-501(a)(3) and (6), serving as the caregiver for another qualifying patient; and~~

(D) Is at least 18 years of age, at least 18 years of age who is designated by a qualifying patient as the person authorized, on the qualifying patient's behalf, to possess, obtain from a dispensary, dispense, administer, and assist in the administration of medical cannabis.

(4) "Controlled Substances Act" means Unit A of Chapter 9 of Title 48 [§ 48-901.02 *et seq.*].

(5) "Cultivation center" means a facility operated by an organization or business registered with ABRA pursuant to § 7-1671.05 from or at which medical ~~marijuana~~ cannabis is cultivated, possessed, manufactured, and distributed in the form of medical ~~marijuana~~ cannabis, and paraphernalia is possessed and distributed to dispensaries.

(5A) "Dentist" means an individual who is licensed and in good standing to practice dentistry under District law, but does not include an individual who only holds a dental teaching license.

(6) Repealed.

(7) "Dispensary" means a facility operated by an organization or business registered with ABRA pursuant to § 7-1671.05 from or at which medical ~~marijuana~~ cannabis is possessed and dispensed and paraphernalia is possessed and distributed to a qualifying patient or a caregiver.

(8) "Dispense" means to distribute medical ~~marijuana~~ cannabis to a qualifying patient or caregiver pursuant to this chapter and the rules issued pursuant to § 7-1671.13.

(9) "Distribute" means the actual, constructive, or attempted transfer from one person to another.

(9A) "Economically disadvantaged individual" shall have the same meaning as provided in section 2302(7) of the Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.02(7)).

(10) "Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of ~~marijuana~~ cannabis, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or re-labeling of its container.

~~(11) "Marijuana" shall have the same meaning as provided in § 48-901.02(3)(A).~~

(11A) "Manufacturer" means a facility operated by an organization or business registered with ABRA pursuant to section 6 to:

(A) Process medical cannabis from cultivation centers into medical cannabis concentrates and medical cannabis-infused products;

(B) Package and label medical cannabis concentrates and medical cannabis-infused products for dispensing at dispensaries; and

(C) Sell medical cannabis concentrates and medical cannabis-infused products at wholesale to dispensaries.

(12) "Medical ~~marijuana~~ cannabis" means ~~marijuana~~ cannabis cultivated, manufactured, possessed, distributed, dispensed, obtained, or administered in accordance with this chapter and the rules issued pursuant to § 7-1671.13.

(12A) "Medical cannabis certified business enterprise" means a certified business enterprise, as that term is defined in section 2302(1D) of the Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.02(1D)), that operates a cultivation center, dispensary, manufacturer, or testing laboratory and has:

81 (A) At least one owner who is a District resident, individually or collectively
82 owns at least 60% of the business, and who is an economically disadvantaged individual or an
83 individual who has been subjected to racial or ethnic prejudice or bias because of their identity as
84 a member of a group without regard to their individual qualities;

85 (B) At least one owner who is a District resident, individually or collectively
86 owns at least 60% of the business, and whose income does not exceed \$349,999 and net worth,
87 excluding the value of their residence, does not exceed \$1 million;

88 (C) A chief executive officer and its highest-level managerial employees
89 who perform their managerial functions in a principal office located in the District;

90 (D) At least 50% of its employees who are District residents;

91 (E) At least 50% of its contractors who are District residents; and

92 (F) At least 80% of the assets of the business, including bank accounts, are
93 in the District.

94 (12AB) "Medical ~~marijuana~~ cannabis product" means a product derived from or
95 composed of medical ~~marijuana~~ cannabis, in part or in whole.

96 (13) "Minor" means any person under 18 years of age, but does not include an
97 emancipated minor.

98 (13A) "Naturopathic physician" means an individual who is licensed and in good
99 standing to practice naturopathic medicine under District law.

100 (13B) "Non-resident cardholder" means a non-District resident who:

101 (A) Is not enrolled in another jurisdiction's medical cannabis program; and

102 (B) Has submitted documentation required by ABRA for a temporary 30-
103 day registration identification card and received confirmation from ABRA of their registration.

104 (14) "Paraphernalia" means:

105 (A) Objects used, intended for use, or designed for use in preparing, storing,
106 ingesting, inhaling, or otherwise introducing medical ~~marijuana~~ cannabis into the human body;
107 and

108 (B) Kits, objects, devices, or equipment used, intended for use, or designed
109 for use in planting, propagating, manufacturing, cultivating, growing, harvesting, processing, or
110 preparing medical ~~marijuana~~ cannabis.

111 (14A) "Pesticide" includes:

112 (A) Any substance or mixture of substances intended to prevent, destroy,
113 control, repel, or mitigate any insect, rodent, snail, slug, fungus, weed, and any other form of plant
114 or animal life or virus, except a virus on or in a living person or other animal which is normally
115 considered to be a pest;

116 (B) Any substance or mixture of substances intended to be used as a plant
117 regulator, defoliant, or desiccant; and

118 (C) Any spray adjuvant.

119 (15) "Physician" means an individual who is licensed and in good standing to
120 practice medicine or osteopathy under District law.

121 (15A) "Physician assistant" means an individual who is licensed and in good
122 standing to practice as a physician assistant under District law.

123 (16) "Program" means the medical ~~marijuana~~ cannabis program established by § 7-
124 1671.05.

(17) "Qualifying medical or dental condition" means any condition for which treatment with medical ~~marijuana~~ cannabis would be beneficial, as determined by ~~the patient's~~ an authorized practitioner.

(18) "Qualifying medical or dental treatment" means:

(A) Chemotherapy;

(B) The use of azidothymidine or protease inhibitors;

(C) Radiotherapy; or

(D) Any other treatment, as determined by rulemaking, whose side effects require treatment through the administration of medical ~~marijuana~~ cannabis in the same manner as a qualifying medical or dental condition.

(19) "Qualifying patient" means ~~a resident of the District who has a qualifying medical or dental condition or is undergoing a qualifying medical or dental treatment, or a patient enrolled in another jurisdiction's medical marijuana program; provided, that a patient from another jurisdiction shall not be a qualifying patient if ABRA determines that there is a shortage of medical marijuana or the real-time electronic records system referenced in § 7-1671.05(4)(A) is inactive.~~

(A) District resident who has a qualifying medical or dental condition or is undergoing a qualifying medical or dental treatment; or

(B) Patient enrolled in another jurisdiction's medical cannabis program; provided, that such a patient shall not be a qualifying patient if ABRA determines that there is a shortage of medical cannabis or the real-time electronic records system.

(19A) "Real-time electronic records" means a records system that is able to track the amount of medical ~~marijuana~~ cannabis that District residents and patients from another jurisdiction purchase in real-time.

(20) "Residence" means a dwelling or dwelling unit in which a person lives in a particular locality with the intent to make it a fixed and permanent home.

(20A) "Returning citizen" means a District resident who was arrested, convicted, or incarcerated for a cannabis-related offense.

(20B) "Social equity applicant" means an applicant for registration with ABRA pursuant to section 6 that has:

(A) At least one owner who is a District resident, individually or collectively owns at least 60% of the business, and is a returning citizen;

(B) At least one owner who is a District resident, individually or collectively owns at least 60% of the business, and whose income does not exceed \$349,999 and net worth, excluding the value of their residence, does not exceed \$1 million;

(C) A chief executive officer and its highest-level managerial employees who perform their managerial functions in a principal office located in the District;

(D) At least 50% of its employees who are District residents;

(E) At least 50% of its contractors who are District residents; and

(F) At least 80% of the assets of the business, including bank accounts, are in the District.

(20C) "Straw ownership" means nominal ownership without the attendant benefits and risks of genuine ownership, where a person, often for a fee, allows themselves to be named on documents or purports in writing to be an owner, in whole or in part, for the purpose of satisfying a government regulatory requirement.

(21) "Testing laboratory" means an entity that is not owned or operated by a director, officer, member, incorporator, agent, or employee of a cultivation center, ~~or dispensary, or manufacturer,~~ and is registered by ABRA to test medical ~~marijuana~~ cannabis and medical ~~marijuana~~ cannabis products that are to be sold ~~under this chapter pursuant to this act.~~

(22) "Transitional license" means a temporary medical cannabis dispensary license that permits an unregistered establishment to purchase medical cannabis from a cultivation center for sale or delivery to qualifying patients.

(23) "Unregistered establishment" means a sole proprietorship, partnership, or other business entity that:

(A) Sells cannabis and cannabis products;

(B) Operates at a specific location in the District; and

(C) Is not registered with ABRA as a cultivation center, dispensary, manufacturer, or testing laboratory.

D.C. Official Code § 7-1671.02. Use of medical ~~marijuana~~ cannabis.

(a) Notwithstanding any other District law, a qualifying patient may purchase, possess, use, and administer medical ~~marijuana~~ cannabis, and purchase, possess, and use paraphernalia, in accordance with this chapter and the rules issued pursuant to § 7-1671.13.

(b) Notwithstanding any other District law, a caregiver may obtain, possess, and dispense, administer, and assist in the administration of medical ~~marijuana~~ cannabis to a qualifying patient, and obtain, possess, and use paraphernalia, for the sole purpose of assisting in the administration of medical ~~marijuana~~ cannabis to a qualifying patient in accordance with this chapter and the rules issued pursuant to § 7-1671.13.

(b-1) When registering pursuant to section 6, a caregiver shall not be required to submit a criminal background check to ABRA.

~~(c) A qualifying patient may possess and administer medical marijuana, and possess and use paraphernalia, only for treatment of a qualifying medical condition or the side effects of a qualifying medical treatment and only after having:~~

~~(1)(A) Obtained a signed, written recommendation from an authorized practitioner in accordance with § 7-1671.04; and~~

~~(B) Registered with ABRA pursuant to § 7-1671.05; or~~

~~(2) Enrolled in another jurisdiction's medical marijuana program.~~

(c) A qualifying patient may only purchase, possess, and administer medical cannabis, or purchase, possess, and use paraphernalia, for a qualifying medical or dental condition or a qualifying medical or dental treatment, and after having:

(1)(A) Obtained a signed, written recommendation from an authorized practitioner within the last 2 years in accordance with section 5, except for individuals 21 years of age and older who shall be permitted to self-certify on a form provided by ABRA that they are utilizing cannabis for medical purposes as part of the registration process; and

(B) Registered with ABRA pursuant to section 6; or

(2) Enrolled in another jurisdiction's medical marijuana program.

(c-1) Where a qualifying patient's or caregiver's registration identification card has expired or will expire at any time between March 1, 2020, and March 31, 2023, and the qualifying patient or caregiver has not submitted an application for a new registration identification card, the qualifying patient or caregiver may continue to obtain, purchase, possess, dispense, use, administer, and assist in the administration of, respectively, medical cannabis in accordance with this act and the rules issued pursuant to section 14 until March 31, 2023. On or after April 1, 2023, the qualifying patient or caregiver shall possess a valid registration identification card to continue to obtain, purchase, possess, dispense, use, administer, and assist in the administration of, respectively, medical cannabis.

(d) A qualifying patient or caregiver shall only obtain, purchase, possess, dispense, use, administer, or assist in the administration of ~~or dispense~~ medical ~~marijuana~~ cannabis, or obtain, possess, and ~~or~~ use paraphernalia, obtained from a dispensary registered with ABRA pursuant to § 7-1671.05.

(e)(1) A qualifying patient who is a minor may purchase, possess, use, and administer medical ~~marijuana~~ cannabis, and purchase, possess, and use paraphernalia, only if the parent or legal guardian of the minor has signed a written statement affirming that the parent or legal guardian after having received a recommendation from an authorized practitioner and registered with ABRA:

(2) A signed, written statement from the minor qualifying patient's parent or legal guardian shall be submitted when registering with ABRA, which affirms that the parent or legal guardian:

(1A) Understands the qualifying medical or dental condition or qualifying medical or dental treatment of the minor;

(2B) Understands the potential benefits and ~~potential~~ adverse effects of the use of medical ~~marijuana~~ cannabis, generally, and, specifically, in the case of the minor;

(3C) Consents to the use of medical ~~marijuana~~ cannabis for the treatment of the minor's qualifying medical or dental condition or ~~treatment of the side effects of the minor's~~ qualifying medical or dental treatment; and

(4D) Consents to, or designates another adult to, serve as the caregiver for the qualifying patient, and the caregiver controls the acquisition, possession, dosage, and frequency of use of medical ~~marijuana~~ cannabis by the qualifying patient.

D.C. Official Code § 7-1671.03. Restrictions on use of medical ~~marijuana~~ cannabis.

(a) The maximum amount of medical ~~marijuana~~ cannabis that any qualifying patient or caregiver may possess at any moment is 2 8 ounces of dried medical ~~marijuana~~ cannabis; provided, that the Mayor, through rulemaking, may increase the quantity of dried medical ~~marijuana~~ that may be possessed up to 4 ounces; and shall promulgate through rulemaking limits on medical ~~marijuana~~ cannabis of a forms, other than dried medical cannabis through rulemaking.

(b)(1) Except as provided in paragraph (4) of this subsection, medical ~~marijuana~~ shall not be administered by or to a qualifying patient anywhere other than the qualifying patient's residence, if permitted, the residence of an individual who has given permission to the qualifying patient to

administer medical marijuana at his or her residence, if permitted, or at a medical treatment facility when receiving medical care for a qualifying medical condition, if permitted by the facility.

(2) ~~A qualifying patient or caregiver shall not administer medical marijuana at a dispensary, cultivation center, or testing laboratory.~~

(3) ~~Notwithstanding paragraph (1) of this subsection, a qualifying patient shall not use medical marijuana if exposure to the medical marijuana or the medical marijuana smoke would adversely affect the health, safety, or welfare of a minor.~~

(4) ~~Medical marijuana, in a non-smokable form, may be administered to a qualifying patient who is enrolled in school at the school of enrollment, if a school has a policy in place for allowing administration of medication at school.~~

(b) Medical cannabis shall only be administered by or to a qualifying patient at:

(1) A qualifying patient's residence, if permitted;

(2) The residence of an individual who has given permission to the qualifying patient to administer medical cannabis at the individual's residence, if permitted;

(3) A medical treatment facility, when receiving medical care for a qualifying medical or dental condition or a qualifying medical or dental treatment, if permitted by the medical treatment facility;

(4) A safe use treatment facility licensed by ABRA pursuant to section 7a; or

(5) A school in which the qualifying patient is enrolled, if the school has a policy in place for allowing the administration of medication at school; provided, that the medical cannabis shall be in non-smokable form.

(c) A qualifying patient or caregiver shall transport medical ~~marijuana~~ cannabis in a labeled container or sealed package in a manner and method established by rulemaking.

(d) Nothing in this chapter permits a person to:

(1) Undertake any task under the influence of medical ~~marijuana~~ cannabis when doing so would constitute negligence or professional malpractice; or

(2) Operate, navigate, or be in actual physical control of any motor vehicle, aircraft, or motorboat while under the influence of medical ~~marijuana~~ cannabis.

(e) The use of medical ~~marijuana~~ cannabis as authorized by this chapter and the rules issued pursuant to § 7-1671.13 does not create a defense to any crime and does not negate the mens rea element for any crime except to the extent of the voluntary-intoxication defense recognized in District of Columbia law.

(f) Notwithstanding any other law, a person or entity may provide information about the existence or operations of a ~~dispensary~~, cultivation center, manufacturer, dispensary, or testing laboratory to another person pursuant to this law.

(g) A qualified patient, caregiver, or an employee of a ~~dispensary~~, cultivation center, manufacturer, dispensary, or testing laboratory who is stopped by the police upon reasonable suspicion or probable cause that the stopped individual is in possession of ~~marijuana~~ cannabis may not be further detained or arrested on this basis alone if the police determine that ~~he or she~~ the individual is in compliance with this chapter and the rules issued pursuant to § 7-1671.13.

294 **D.C. Official Code § 7–1671.04. Recommending authorized practitioner; protections.**

295
296 (a) ~~An authorized practitioner may recommend~~ A qualifying patient may receive a
297 recommendation from an authorized practitioner to the use of medical marijuana cannabis to a
298 qualifying patient if the authorized practitioner:

299 (1) ~~Is in a bona fide relationship with the qualifying patient; and~~
300 (2) ~~Makes the recommendation based upon the authorized practitioner's assessment~~
301 ~~of the qualifying patient's medical or dental history, current medical or dental condition, and a~~
302 ~~review of other approved medications and treatments that might provide the qualifying patient~~
303 ~~with relief from~~ for a qualifying medical or dental condition or the side effects of a qualifying
304 medical or dental treatment.

305 (b)(1) ~~An authorized practitioner's recommendation that a qualifying patient may~~
306 ~~recommend the use of medical marijuana cannabis to a qualifying patient, on a form provided by~~
307 ~~ABRA, if shall be signed by the authorized practitioner and include:~~

308 (A) ~~The authorized practitioner's board issued license number; and~~
309 (B) ~~A makes the recommendation based on an assessment of the qualifying~~
310 ~~patient's current medical or dental condition statement that the use of medical marijuana is~~
311 ~~necessary for the treatment of a qualifying medical or dental condition or the side effects of a~~
312 ~~qualifying medical or dental treatment.~~

313 (2) ~~An authorized practitioner's recommendation shall be valid only if it is written~~
314 ~~on a form prescribed by ABRA.~~

315 (c) Except as provided in § 7-1671.07, ~~a physician~~ an authorized practitioner shall not be
316 subject to any penalty, including arrest, prosecution, or disciplinary proceeding, or denial of any
317 right or privilege, for advising a qualifying patient about the use of medical ~~marijuana~~ cannabis or
318 recommending the use of medical ~~marijuana~~ cannabis to a qualifying patient pursuant to this
319 chapter and ~~the~~ any rules issued pursuant to § 7-1671.13.

320 (d) An authorized practitioner recommending the use of medical ~~marijuana~~ cannabis by a
321 qualifying patient shall not have a professional office located at a ~~dispensary~~, cultivation center,
322 manufacturer, dispensary, or testing laboratory or receive financial compensation from a
323 ~~dispensary~~, cultivation center, or testing laboratory, or a director, officer, member, incorporator,
324 agent, or employee of a ~~dispensary~~, cultivation center, manufacturer, dispensary, or testing
325 laboratory.

326
327 **D.C. Official Code § 7–1671.05. Medical ~~marijuana~~ cannabis program.**

328
329 (a) There is established a medical ~~marijuana~~ cannabis program, which shall regulate the
330 cultivation, manufacture, ~~cultivation~~, distribution, dispensing, purchase, delivery, sale, possession,
331 testing, and administration, and testing of medical ~~marijuana~~ cannabis and the manufacture,
332 distribution, possession, purchase, sale, possession, and use of paraphernalia.

333 (b) The Program shall:

334 (1) ~~(A)~~ Require the registration with ABRA of all:

(iA) Qualifying patients, except qualifying patients enrolled in another jurisdiction's medical ~~marijuana~~ cannabis program under § 7-1671.02(e)(2) pursuant to section 3(c)(2), and the caregivers of qualifying patients; and

(ii) ~~Caregivers; and~~

(B) ~~As part of the registration process, require a qualifying patient to:~~

(i) ~~Repealed.~~

(ii) ~~Provide a copy of the authorized practitioner's recommendation for the qualifying patient's use of medical marijuana; Non-resident cardholders; and~~

(C) Cultivation centers, manufacturers, dispensaries, and testing laboratories, including all directors, officers, members, incorporators, agents, and employees of those facilities;

(2) ~~Require the registration of all:~~

(A) ~~Dispensaries;~~

(B) ~~Cultivation centers;~~

(B-i) ~~Testing laboratories; and~~

(C) ~~Directors, officers, members, incorporators, agents, and employees of dispensaries, cultivation centers, and testing laboratories;~~ Create a self-certification form that may be used by qualifying patients ages 21 and older;

(3) ~~Issue nontransferable registration identification cards that expire annually to registered persons and entities registered pursuant to paragraph (1) of this subsection:~~

(A); That, with respect to registration identification cards issued to persons and entities registered pursuant to paragraph (1)(A) and (C) of this subsection, expire every 2 years;

(B) ~~Which may be presented to and used by law enforcement to confirm whether a person or entity is authorized to administer, cultivate, manufacture, distribute, dispense, distribute, deliver, sell, possess, test, or possess administer medical marijuana cannabis, or manufacture, possess, purchase, sell, or distribute, or use paraphernalia;~~

(4) ~~Require all dispensaries, cultivation centers, manufacturers, dispensaries, and testing laboratories to:~~

(A) ~~Maintain true, complete, and real-time electronic records of the following:~~

(i) ~~The name, address, home telephone number, and date of birth of each employee;~~

(ii) ~~Each transaction conducted by the facility, including:~~

(I) ~~The quantity of medical marijuana cannabis tested, processed, distributed, or dispensed;~~

(II) ~~The consideration given for the medical marijuana cannabis, if any; and~~

(III) ~~The recipient of the medical marijuana cannabis;~~

(iii) ~~The quantity of medical marijuana cannabis or medical cannabis products at the dispensary, cultivation center, dispensary, or testing laboratory;~~

(iv) ~~The disposal method used for any medical marijuana cannabis that was cultivated, processed, or acquired but that did not meet the requirements for sale~~

established by the ABC Board through rulemaking ~~under paragraph (5A) of this section~~ pursuant to section 14 or that was not sold for any ~~other~~ reason, including evidence of the disposal of the medical ~~marijuana cannabis~~; and

(v) Any other information required by ABRA; and
(B) Notify the Chief of the Metropolitan Police Department in writing and immediately of the loss, theft, or destruction of any medical ~~marijuana cannabis~~;

(5) Require all dispensaries to maintain true, complete, and real-time electronic current records of:

(A) ~~The name and address of the qualifying patient or caregiver authorized to obtain~~ for the distribution or dispensing of medical ~~marijuana cannabis; and~~

(B) ~~The name and address of the caregiver who receives the medical marijuana;~~

(5A6) Upon the registration of at least one testing laboratory ~~under paragraph (2)(B-i) pursuant to paragraph (1)(C) of this section and pursuant to rules issued by the ABC Board, require that cultivation centers segregate all harvested medical~~ ~~marijuana cannabis~~ into batches before manufacturing any medical ~~marijuana cannabis~~ product or packaging raw medical ~~marijuana cannabis~~ for sale to a manufacturer or dispensary and hold the harvested medical ~~marijuana cannabis~~ from sale until:

(A) The medical ~~marijuana cannabis~~ has been tested by a testing laboratory;

(B) The cultivation center has received the information required ~~under~~ pursuant to paragraph (5B) (7) of this subsection; and

(C) The cultivation center has determined that the medical ~~marijuana cannabis~~ meets the requirements for sale established by the ABC Board through rulemaking;

(5B7) Require testing laboratories to provide cultivation centers with the following information after testing harvested medical ~~marijuana cannabis~~ samples:

(A) The concentration of tetrahydrocannabinol and cannabidiol in the testing material;

(B) Whether the tested material is organic or ~~non-inorganic~~;

(C) The presence and concentration of fertilizers and other nutrients; ~~and~~

(D) Whether the medical cannabis samples contain mycotoxin, pesticides, or heavy metals above a threshold determined by the ABC Board through rulemaking; and

(DE) Any other information that ~~ABRA~~ the ABC Board may require through rulemaking;

(8) Upon registration of at least one testing laboratory pursuant to paragraph (1)(C) of this section and rules issued by the ABC Board, require that manufacturers segregate all processed medical cannabis products into batches, and hold the processed medical cannabis products from sale until:

(A) The medical cannabis products have been tested by a testing laboratory;

(B) The manufacturer has received the information required pursuant to paragraph (9) of this subsection; and

(C) The manufacturer has determined that the medical cannabis products meet the requirements for sale established by the ABC Board through rulemaking;

(9) Require testing laboratories to provide manufacturers with the following information after testing medical cannabis product samples:

(A) The concentration of tetrahydrocannabinol and cannabidiol in the testing material;
 (B) Whether the tested material is organic or inorganic;
 (C) The presence and concentration of fertilizers or other nutrients;
 (D) Whether the medical cannabis product samples contain mycotoxin or residual solvents above a threshold determined by the ABC Board through rulemaking; and
 (E) Any other information that the ABC Board may require through rulemaking;
 (610) Develop educational materials about:
 (A) The potential harmful drug interactions that could occur from using medical marijuana cannabis concurrently with other medical treatments and the importance of informing health care providers and pharmacists of the use of medical marijuana to help avoid harmful drug interactions;
 (B) Harm reduction strategies for qualifying patients who use medical cannabis; and
 (C) The importance of informing health care providers and pharmacists of the use of medical cannabis to help avoid adverse drug interactions;
 (711) Revoke or suspend the registration of any person or entity if the ABC Board determines that the person or entity has violated a provision of this chapter or the rules issued pursuant to § 7-1671.13;
 (812) Conduct announced and unannounced inspections of ~~dispensaries and~~ cultivation centers, manufacturers, dispensaries, and testing laboratories;
 (913) Establish sliding-scale registration and annual renewal fees for all persons and entities required to register pursuant to this chapter; provided, that the registration and annual renewal fees for ~~dispensaries, cultivation centers, manufacturers, dispensaries, and testing laboratories~~ and for the directors, officers, members, incorporators, agents, and employees of ~~dispensaries, cultivation centers, manufacturers, dispensaries, and testing laboratories~~ shall be sufficient to offset the costs of administering this chapter;
 (104) Establish a system to provide for the safe and affordable dispensing of medical ~~marijuana~~ cannabis to qualifying patients who are unable to afford a sufficient supply of medical ~~marijuana~~ cannabis based upon the qualifying patient's income and existing financial resources that:
 (A) Allows qualifying patients to apply to the ABC Board to be eligible to purchase medical ~~marijuana~~ cannabis on a sliding scale from dispensaries; and
 (B) Requires each dispensary to devote a percentage of its gross revenue, as determined by the ~~Mayor~~ ABC Board, to providing medical ~~marijuana~~ cannabis on the sliding scale to qualifying patients determined eligible pursuant to subparagraph (A) of this paragraph;
 (11) ~~Submit to the Council an annual report that does not disclose any identifying information about qualifying patients, caregivers, or authorized practitioners, but that includes:~~
 (A) ~~The number of applications filed for a registration identification card;~~
 (B) ~~The number of qualifying patients and caregivers registered;~~
 (C) ~~The qualifying medical condition or qualifying medical treatment for each qualifying patient;~~

~~(D) The number of registration identification cards suspended and the number revoked; and~~

~~(E) The number of authorized practitioners providing written recommendations for qualifying patients;~~

(125) Establish standards by which applicants for ~~dispensary~~, cultivation center, manufacturer, dispensary, and testing laboratory registration will be evaluated to determine which applicants will be accepted for registration and renewal of registration, which shall include the following factors:

(A) Knowledge of District and federal law relating to ~~marijuana~~ cannabis and rules issues pursuant to section 14;

(B) Suitability of the proposed facility;

(C) A proposed staffing plan;

(D) A security plan that has been assessed by the Metropolitan Police Department;

(E) A cultivation plan; and

(F) Suitability of any methods and equipment used to process medical cannabis; and

(G) A product safety and labeling plan;

(136)(A) Provide notice through the mail to the Councilmember and all Advisory Neighborhood Commissions in the affected ward at least 30 days prior to approval of a location for a ~~dispensary~~, cultivation center, manufacturer, dispensary, or testing laboratory; and

(B) Accord great weight to input provided by the Advisory Neighborhood Commission regarding the proposed location of a ~~dispensary~~, cultivation center, manufacturer, dispensary, or testing laboratory when approving or rejecting an application for registration; and

(147) Require caregivers and qualifying patients to notify ABRA immediately and in writing of the loss, theft, or destruction of a registration identification card-; and

(18) Submit to the Council an annual report that does not disclose any identifying information about qualifying patients, caregivers, or authorized practitioners, but that includes:

(A) The number of qualifying patients participating in the medical cannabis program;

(B) The number of qualifying patients and caregivers registered;

(C) The number of registration identification cards suspended and revoked;

(D) The number of authorized practitioners providing written recommendations for qualifying patients;

(E) The number and location of cultivation centers, manufacturers, dispensaries, and testing laboratories;

(F) The amount of cannabis harvested by cultivation centers;

(G) The dollar amount of medical cannabis or medical cannabis products sold by cultivation centers, manufacturers, and dispensaries; and

(H) The number and types of violations of this act and any applicable rules, as well as the outcomes of any enforcement actions taken against cultivation centers, manufacturers, dispensaries, and testing laboratories.

D.C. Official Code § 7-1671.06. ~~Dispensaries and e~~Cultivation centers, manufacturers, and dispensaries.

(a) Notwithstanding any other District law, ~~a dispensary may possess medical marijuana for the purpose of dispensing the medical marijuana to a qualifying patient or caregiver and may manufacture, purchase, possess, distribute, and use paraphernalia, and~~ in accordance with this chapter and the rules issued pursuant to § 7-1671.13, a:

(1) Cultivation center may cultivate and possess medical cannabis for the purpose of distribution to a manufacturer or dispensary, and may manufacture, possess, purchase, and use paraphernalia;

(2) Manufacturer may possess medical cannabis for the purposes of manufacturing medical cannabis products and distribution to a dispensary, and may manufacture, possess, purchase, and use paraphernalia;

(3) Dispensary may possess medical cannabis and medical cannabis products for the purpose of dispensing to a qualifying patient or caregiver, and may manufacture, possess, distribute, purchase, and use paraphernalia;

(4) Testing laboratory may possess medical marijuana for the purpose of testing its contents; and

(5) Qualifying patient, caregiver, or non-resident cardholder may only obtain medical cannabis and paraphernalia from a dispensary.

~~(b) Notwithstanding any other District law, a cultivation center may cultivate and possess medical marijuana for the purpose of distribution to a dispensary and may manufacture, purchase, possess, and use paraphernalia in accordance with this chapter and the rules issued pursuant to § 7-1671.13.~~

~~(b 1) Notwithstanding any other District law, a testing laboratory may possess medical marijuana for the purpose of testing its contents, in accordance with this chapter and the rules issued pursuant to § 7-1671.13.~~

~~(c) A dispensary may dispense medical marijuana and distribute paraphernalia to a qualifying patient or the qualifying patient's caregiver, and a qualifying patient or the qualifying patient's caregiver may obtain medical marijuana and paraphernalia from a dispensary, only if the qualifying patient is registered to receive medical marijuana from that dispensary.~~

~~(d)(1) (b) Each dispensary, cultivation center, dispensary, manufacturer, and testing laboratory shall be registered with ABRA prior to manufacturing, cultivating, manufacturing, distributing, dispensing, delivering, selling, possessing, or testing, or distributing medical marijuana cannabis, or manufacturing, possessing, purchasing, selling, using, or distributing paraphernalia.~~

~~(2)(A) No more than 5 dispensaries shall be registered to operate in the District; provided, that the Mayor may increase the number to as many as 8 by rulemaking to ensure that qualifying patients have adequate access to medical marijuana; provided further, that no more than 2 dispensaries shall be registered to operate within an election ward established by the Council in § 1-1041.03.~~

~~(B) The prohibition of no more than 2 dispensaries being registered to operate within an election ward set forth in subparagraph (A) of this paragraph shall apply to applications pending as of December 13, 2013.~~

~~(C)(i) No more than one dispensary may be registered to operate in any election ward in which 5 or more cultivation centers have been registered to operate.~~

~~(ii) The prohibition of no more than one dispensary being registered to operate within an election ward in which 5 or more cultivation centers have been registered to operate set forth in sub-subparagraph (i) of this subparagraph shall apply to applications pending as of December 13, 2013.~~

~~(3)(A) The number of cultivation centers and testing laboratories that may be registered to operate in the District shall be determined by the Mayor by rules issued in accordance with § 7-1671.13; provided, that the combined total number of cultivation centers and testing laboratories registered to operate within an election ward established by the Council in § 1-1041.03, shall not exceed 6.~~

~~(B) The prohibition of no more than 6 cultivation centers being registered to operate within an election ward set forth in subparagraph (A) of this paragraph shall apply to applications pending as of Dec. 13, 2013.~~

~~(C) Any applicant that submitted an application on July 19, 2015, for a registration to operate a cultivation center shall be allowed to modify the location of the cultivation center on its application without negatively affecting the current status of the application.~~

(c) A cultivation center registered with ABRA as of the applicability date of the Medical Cannabis Amendment Act of 2022, as approved by the Committee on the Judiciary and Public Safety on October 21, 2022 (Committee print of Bill 24-113), and engaged in the manufacturing of medical cannabis products shall automatically receive a manufacturers license; provided, that if the cultivation center is sold or transferred to new owners, the manufacturers license shall not transfer to the new owner.

(d)(4) The ABC Board may approve the holder of a cultivation center or manufacturers registration that also owns, or has a valid lease for, real property adjacent to its existing cultivation center or manufacturing facility, to physically expand the registered cultivation center or manufacturing facility into that adjacent real property for the purpose of increasing production of medical marijuana cannabis or medical cannabis products.

~~(5)(A) An application for registration of a dispensary, cultivation center, or testing laboratory submitted by a medical cannabis certified business enterprise, or applicant eligible to be a medical cannabis certified business enterprise, shall be awarded a preference point equal to 50 points or 20% of the available points, whichever is more.~~

~~(B) A medical cannabis certified business enterprise shall:~~

~~(i) Have one or more owners who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities and who are District residents and individually or collectively own at least 60% of the licensed business enterprise;~~

~~(ii) Have one or more owners whose income does not exceed \$349,999, who are residents of the District, and whose net worth, excluding the value of their residence, does not exceed \$1 million, and individually or collectively own at least 60% of the licensed business enterprise;~~

(iii) Have a chief executive officer and its highest-level managerial employees perform their managerial functions in a principal office located in the District;
(iv) Have at least 50% of its employees be residents of the District;
(v) Have at least 50% of its contractors be residents of the District;

and

(vi) Have at least 80% of the assets of the certified business enterprise, including bank accounts, be in the District.

(C) An applicant seeking to qualify as a medical cannabis certified business enterprise shall submit with the application for registration of a dispensary, cultivation center, or testing laboratory, an affidavit attesting to:

(i) The number of owners of the applicant who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities;

(ii) The ownership interest of any owners of the applicant who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities;

(iii) The number of employees of the applicant who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities; and

(iv) The number of contractors of the applicant who are economically disadvantaged individuals or individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

(D) For the purpose of this paragraph, the term:

(i) "Economically disadvantaged individual" shall have the same meaning as set forth in § 2-218.02(7).

(ii) "Medical cannabis certified business enterprise" means a certified business enterprise, as that term is defined in § 2-218.02(1D), that operates a medical cannabis business as a dispensary, cultivation center, or testing laboratory.

(e) If ABRA expands the number of available licenses for cultivation centers or dispensaries through rulemaking, ABRA shall also submit an analysis that demonstrates the need for additional licenses due to estimated or actual increased demand exceeding the capacity of existing licensees. The analysis shall clearly articulate the methods and data used to reach a conclusion and any limitations of those methods or data.

(f) An applicant seeking to qualify as a:

(1) Social equity applicant shall submit an affidavit with the application for registration of a cultivation center, manufacturer, dispensary, or testing laboratory attesting to:

(A) The number of owners who are returning citizens, as well as proof of any owners' arrests, convictions, and incarceration for cannabis-related offenses;

(B) The ownership interests, incomes, and net worth of any owners;

(C) The location of all managerial employees in the principal office;

(D) The residency of owners, employees, and contractors; and
 (E) The locations of the assets and the percentages of the assets in each
location;
 (2) Medical cannabis certified business enterprise shall submit an affidavit with the
application for registration of a cultivation center, manufacturer, dispensary, or testing laboratory
attesting to:
 (A) The number of owners who are economically-disadvantaged
individuals or individuals who have been subjected to racial or ethnic prejudice or bias because of
their identities as members of a group without regard to their individual qualities;
 (B) The ownership interests, incomes, and net worth of any owners;
 (C) The location of all managerial employees in the principal office;
 (D) The residency of owners, employees, and contractors; and
 (E) The locations of the assets and the percentages of the assets in each
location.
 (g) At least 50% of all:
 (1) Manufacturers licenses shall be set aside for social equity applicants and
medical cannabis certified business enterprises; and
 (2) New cultivation center and dispensary licenses issued after the applicability date
of the Medical Cannabis Amendment Act of 2022, as approved by the Committee on the Judiciary
and Public Safety on October 21, 2022 (Committee print of Bill 24-113), shall be set aside for
returning citizens and medical cannabis certified business enterprises.
 (h) Any applications for the registration of a cultivation center, manufacturer, dispensary,
or testing laboratory submitted by applicants for registrations that are not subject to the set aside
requirements in subsection (g) of this section shall be awarded points as follows:
 (1) A social equity applicant shall be awarded preference points equal to 50 points
or 20% of the available points, whichever is more; and
 (2) A medical cannabis certified business enterprise shall be awarded preference
points equal to 50 points or 20% of the available points, whichever is more.
 (i)(1) Straw ownership for the purposes of meeting the ownership requirements of social
equity applicants and medical cannabis certified business enterprises is prohibited for District
residents and out-of-state residents.
 (2) A person who is found to have willfully asserted straw ownership shall have the
person's registration revoked and be subject to a civil penalty of not more than \$15,000.
 (j) The ABC Board shall waive 75% of any nonrefundable license application fees,
nonrefundable fees associated with receiving a license to operate, and surety bonds or other
financial requirements, for social equity applicants and medical cannabis certified business
enterprises.
 (k)(1) Cultivation center, manufacturer, dispensary, and testing laboratory registrations
shall be paid annually by credit card or cashier's check, money order, or certified check made
payable to the D.C. Treasurer. The fee for the first year shall be paid at the time of the application,
and the renewal fee shall be paid on or before the anniversary date of issuance of the registration.
All payments are due at the time the applications are filed and are non-refundable.
 (2) The ABC Board shall, by rules issued pursuant to section 14, establish or modify
the initial application and renewal fees for cultivation center, manufacturer, dispensary, and testing
laboratory registrations.

683 (3) A cultivation center, manufacturer, dispensary, or testing laboratory registration
684 shall be valid for 3 years unless:

685 (A) Suspended or revoked; or

686 (B) The registration takes effect on a date in between the dates established
687 by the ABC Board for the regular registration period of each registration, in which case the
688 registration shall be valid only until the end of the registration period.

689 (4) The ABC Board may impose a late fee upon an applicant for a cultivation center,
690 manufacturer, dispensary, or testing laboratory that fails to timely renew their registration, in the
691 amount of \$50 for each business day after the due date of payment. The total amount of the late
692 fee to be paid shall not exceed the annual cost of the registration. The ABC Board may suspend a
693 previously approved registration until the renewal fee is paid. A cultivation center, manufacturer,
694 dispensary, or testing laboratory that has not timely renewed its registration shall not be permitted
695 to operate with an expired registration.

696 (5) The ABC Board may suspend a registration where the payment was made by
697 the applicant with a check returned unpaid, invalid credit card, or any other form of payment that
698 is denied by an intermediary institution. The applicant, in addition to any late fees imposed by the
699 ABC Board pursuant to paragraph (4) of this subsection, shall also be charged a \$100 returned
700 check/denied payment fee.

701 (e)(1) A dispensary may not dispense more than 2 ounces of medical ~~marijuana~~ cannabis
702 in a 30-day period to a qualifying patient, either directly or through the qualifying patient's
703 caregiver; provided, that the Mayor, through rulemaking, may increase the quantity of medical
704 ~~marijuana~~ cannabis that may be dispensed to up to 4 ounces.

705 (2) A cultivation center shall not possess more than 1,000 living ~~marijuana~~ plants
706 at any time.

707 (3) It shall be unlawful for a dispensary to dispense or possess more than the
708 quantity of medical ~~marijuana~~ needed to support the number of qualifying patients or caregivers
709 registered to receive medical ~~marijuana~~ at that dispensary, as determined by the Mayor pursuant
710 to rules issued under § 7-1671.13; provided, that the ABC Board may allow a dispensary to possess
711 a higher quantity of medical ~~marijuana~~ in anticipation of additional qualifying patients or
712 caregivers registering.

713 (fm) No ~~marijuana~~ medical cannabis or paraphernalia at a dispensary, cultivation center,
714 manufacturer, dispensary, or testing laboratory shall be visible from any public or other property.

715 (gn) A dispensary, cultivation center, or manufacturer, dispensary, or testing laboratory
716 shall not locate within any residential district or within 300 feet of a preschool, primary or
717 secondary school, or recreation center.

718 (g-1)(10) A cultivation center or manufacturer shall not be located within a Retail Priority
719 Area, as designated pursuant to § 2-1217.73, and as approved by the Council pursuant to the Great
720 Streets Neighborhood Retail Priority Areas Approval Resolution of 2007, effective July 10, 2007
721 (Res. 17-257; 54 DCR 7194).

722 (2) Any applicant that had an application pending as of June 20, 2012, for a
723 registration to operate a cultivation center within a Retail Priority Area as identified in paragraph
724 (1) of this subsection, shall be allowed to modify the application within 180 days of May 1, 2013,
725 without negatively affecting the current status of the application.

(g-2) A dispensary, cultivation center, or testing laboratory may be permitted to relocate to any election ward upon approval from the ABC Board; provided, that no more than 2 dispensaries and 6 cultivation centers may be registered to operate within an election ward.

(g-3p) A dispensary, cultivation center, manufacturer, dispensary, or testing laboratory may be permitted to change ownership or controlling interest upon approval from the ABC Board.

(hq) Each ~~dispensary~~, cultivation center, manufacturer, dispensary, and testing laboratory shall:

(1) Be either a for-profit or nonprofit corporation incorporated within the District;

(2) Implement a security plan to prevent the theft or diversion of medical ~~marijuana~~ cannabis, including maintaining all medical ~~marijuana~~ cannabis in a secure, locked room that is accessible only by authorized persons; and

(3) Ensure that all of its employees receive training on compliance with District law, medical ~~marijuana~~ cannabis use, security, and theft prevention.

(ir) Each dispensary shall regularly distribute to all qualifying patients and caregivers the educational materials ~~regarding potential harmful drug interactions~~ developed as part of the Program.

~~(j) No director, officer, member, incorporator, agent, or employee of a dispensary, cultivation center, or testing laboratory who has access to the medical marijuana at the dispensary, cultivation center, or testing laboratory shall have a felony conviction; provided, that the ABC Board shall not disqualify any of the forgoing individuals solely for a felony conviction of possession with intent to distribute marijuana that occurred before the July 17, 2014.~~

(s)(1) Except with respect to evaluating the applications of social equity applicants and returning citizens, the ABC Board shall not:

(A) Inquire into or consider:

(i) A director, officer, member, incorporator, agent, or employee's criminal conviction until after the applicant is found by ABRA to be otherwise qualified;

(ii) A criminal conviction that has been sealed, expunged, vacated, or pardoned, including a criminal conviction that has been set aside pursuant to the Youth Rehabilitation Amendment Act of 1985, effective December 7, 1985 (D.C. Law 6-69; D.C. Official Code § 24-901 et seq.);

(iii) A juvenile adjudication; or

(iv) Non-conviction information, including information related to a deferred sentencing agreement, participation in a diversion program, or an arrest that did not result in a criminal conviction; or

(B) Consider a criminal conviction of an offense of a director, officer, member, incorporator, agent, or employee of a cultivation center, manufacturer, dispensary, or testing laboratory that is not directly related to the position of employment sought or to the specific business for which the license or registration is sought.

(2) Pursuant to paragraph (1)(B) of this subsection, ABRA shall determine whether a criminal conviction of an offense of a director, officer, member, incorporator, agent, or employee of a cultivation center, manufacturer, dispensary, or testing laboratory is directly related to the position of employment sought or to the specific business for which the license or registration is sought, by considering the following factors:

769 (A) Whether the elements of the offense are directly related, by clear and
770 convincing evidence, to the license or registration sought or the specific duties and responsibilities
771 of employment;

772 (B) Any evidence produced by the director, officer, member, incorporator,
773 agent, or employee concerning their rehabilitation and fitness, including:

774 (i) Evidence as to whether the director, officer, member,
775 incorporator, agent, or employee has recidivated;

776 (ii) Evidence demonstrating compliance with any terms and
777 conditions of probation, supervised release, or parole;

778 (iii) The length of time that has elapsed since the offense was
779 committed;

780 (iv) The age at which the offense was committed;

781 (v) Any circumstances related to the offense, including mitigating
782 circumstances;

783 (vi) Evidence of work history, particularly any training or work
784 experience related to the license or registration sought or the specific duties and responsibilities of
785 employment; and

786 (vii) Letters of reference; and

787 (C) The District's interest in promoting opportunities for business
788 ownership and employment for returning citizens and individuals with criminal records.

789 (3) Before acting on a determination made pursuant to paragraph (2) of this
790 subsection, the ABC Board shall notify the director, officer, member, incorporator, agent, or
791 employee, in writing, with the following information:

792 (A) The criminal conviction that forms the basis for the action, and the ABC
793 Board's reasoning for determining the offense is directly related to the license or registration
794 sought or the specific duties and responsibilities of employment;

795 (B) A copy of any criminal history records on which the ABC Board relies;

796 (C) A statement that the director, officer, member, incorporator, agent, or
797 employee may provide evidence of inaccuracies within the criminal history records;

798 (D) A description of additional information that the director, officer,
799 member, incorporator, agent, or employee may provide to demonstrate their rehabilitation and
800 fitness; and

801 (E) Information about any applicable hearing procedures.

802 (4)(A) After receiving notice pursuant to paragraph (3) of this subsection, the
803 director, officer, member, incorporator, agent, or employee shall have 45 business days to respond.

804 (B) The ABC Board shall have 45 business days after the response is
805 received to issue its final decision.

806 (k) A person found to have violated any provision in this chapter shall not be a director,
807 officer, member, incorporator, agent, or employee of a ~~dispensary~~, cultivation center,
808 manufacturer, dispensary, or testing laboratory, and the registration identification card of the
809 person shall be immediately revoked and the registration of the ~~dispensary~~, cultivation center,
810 manufacturer, dispensary, or testing laboratory shall be suspended until the person is no longer a
811 director, officer, member, incorporator, agent, or employee of the ~~dispensary~~, cultivation center,
812 manufacturer, dispensary, or testing laboratory.

813 **Sec. 7a. Transitional licenses.**

814
815 (a)(1) No later than 30 days after the applicability date of the Medical Cannabis
816 Amendment Act of 2022, as approved by the Committee on the Judiciary and Public Safety on
817 October 21, 2022 (Committee print of Bill 24-113), ABRA shall make transitional license
818 applications available for unregistered establishments.

819 (2) To qualify for a transitional license, an unregistered establishment shall
820 demonstrate to the satisfaction of ABRA that the unregistered establishment:

821 (A) Is not located:

822 (i) Within a residential district;

823 (ii) Within 300 feet of a preschool, primary or secondary school, or
824 recreation center; or

825 (iii) Within 400 feet of an existing dispensary;

826 (B) Has a valid, active business license issued on or before April 5, 2022;

827 (C) Has a valid certificate of occupancy issued on or before April 5, 2022;

828 (D) Has been in operation since April 5, 2022, at the latest; and

829 (E) Has one or more owners who are District residents and who individually
830 or collectively own at least 60% of the unregistered establishment.

831 (3) An unregistered establishment may not relocate prior to applying for a
832 transitional license for purposes of applying for a transitional license.

833 (4) Straw ownership for purposes of meeting the ownership requirement in
834 paragraph (2)(E) of this subsection is prohibited. A person who is found to have willfully asserted
835 straw ownership shall have the person's registration revoked and be subject to a civil penalty of
836 not more than \$15,000.

837 (b) ABRA shall accept transitional license applications for 60 days after the date on which
838 it made applications available pursuant to subsection (a) of this section.

839 (c) Transitional licenses shall be valid for up to 180 days; provided, that ABRA may extend
840 the validity of a transitional license for up to an additional 90 days if a transitional licensee
841 demonstrates that it has made a good faith effort at implementing the transitional license
842 compliance plan it submitted pursuant to section 7b but needs additional time to complete the
843 transitional license compliance plan.

844
845 **Sec. 7b. Transitional license compliance plans and permanent licenses.**

846
847 (a) On the date that ABRA makes transitional license applications available pursuant to
848 section 7a, it shall also publish requirements for transitional license compliance plans to be
849 submitted by transitional licensees.

850 (b) Within 60 days after receiving a transitional license, a transitional licensee shall submit
851 a transitional license compliance plan to ABRA that demonstrates the steps the transitional licensee
852 will take during the license term to bring the transitional licensee and its operations into
853 compliance with any additional requirements of this act and applicable regulations.

854 (c) ABRA shall hold no fewer than 3 technical assistance workshops for transitional
855 licensees within the first 30 days after issuing transitional licenses.

856 (d)(1) Within 30 days after receiving a transitional license compliance plan from a
857 transitional licensee, ABRA shall notify the transitional licensee if the plan is approved, requires
858 minimal revision, or is denied.

859 (2) If a transitional license compliance plan requires minimal revision, ABRA shall
860 note the specific elements of the plan that are deficient.

861 (3) If a transitional license compliance plan is denied, ABRA shall notify the
862 transitional licensee that the transitional licensee must close within 90 days after receipt of the
863 denial or be subject to penalties pursuant to D.C. Official Code § 47-2844(a-2)(1B).

864 (e)(1) After a transitional license compliance plan is approved by ABRA, a transitional
865 licensee shall submit monthly compliance progress updates that demonstrate implementation of
866 the transitional license compliance plan until all requirements of the transitional license
867 compliance plan are met.

868 (2) Once ABRA certifies that a transitional license compliance plan has been
869 implemented, ABRA shall issue a dispensary license, contingent upon the transitional licensee
870 paying the applicable license fee.

871 (f)(1) A transitional licensee's failure to make a good faith effort to implement its
872 transitional license compliance plan shall result in the revocation of its transitional license.

873 (2) When a transitional license is revoked, ABRA shall notify the transitional
874 licensee that it must close within 90 days after receipt of the denial or be subject to penalties
875 pursuant to D.C. Official Code § 47-2844(a-2)(1B).

876
877 **Sec. 7c. Safe use treatment facility endorsement.**
878

879 (a) The holder of a dispensary registration shall be eligible to apply to the ABC Board for
880 a safe use treatment facility endorsement. The holder of a safe use treatment facility endorsement
881 shall be permitted to:

882 (1) Sell medical cannabis and paraphernalia at the dispensary to qualifying patients
883 and caregivers to be administered on the premises by or to the qualifying patient at the time of
884 purchase within designated consumption areas that are separated from the remainder of the
885 premises by a secure door and have a separate ventilation system;

886 (2) Allow a qualifying patient or the qualifying patient's caregiver to remove from
887 the premises unused medical cannabis or paraphernalia that has been purchased from the
888 dispensary in accordance with the requirements and limits set forth in this act; provided, that it is
889 packaged in a sealed, secure, and labeled container;

890 (3) Offer or sell food that does not contain cannabis in the safe use treatment
891 facility; and

892 (4) Offer recorded or background music in the safe use treatment facility.

893 (b) A dispensary with a safe use treatment facility endorsement shall:

894 (1) Install security cameras that are operable and able to record for a minimum of
895 30 days;

896 (2) Display conspicuous warning labels that are visible to the qualifying patient and
897 the qualifying patient's caregiver concerning administering medical cannabis and medical
898 cannabis products;

899 (3) Destroy all unadministered medical cannabis left abandoned or unclaimed in
900 the safe use treatment facility area; and

901 (4) Package and label all medical cannabis or medical cannabis products purchased
902 to be administered on the premises of the safe use treatment facility in accordance with regulations
903 issued pursuant to section 14.

904 (c) A dispensary's safe use treatment facility area shall have the following characteristics:

(1) The area where medical cannabis is to be administered on-site by qualifying patients shall be isolated from the other areas of the dispensary, separated by walls and a secure door, and shall have access only from the dispensary;

(2) A smoke-free area for employees to monitor the safe use treatment facility area; and

(3) A ventilation system that directs air from the safe use treatment facility area to the outside of the building through a pollution control unit or odor control unit that, at a minimum, eliminates all detectable odor, smoke and by-products of combustion so as to prevent any and all public nuisances.

(d) A dispensary with a safe use treatment facility endorsement shall not:

(1) Allow a person to consume alcohol, tobacco, or tobacco products in the safe use treatment facility;

(2) Allow any member of the public other than a qualifying patient or the qualifying patient's caregiver to enter the safe use treatment facility;

(3) Allow a person to bring into or administer in the safe use treatment facility any medical cannabis or medical cannabis products that were not purchased at the dispensary, unless otherwise permitted by the ABC Board by rulemaking;

(4) Sell, offer to sell, or provide medical cannabis or paraphernalia in excess of the quantity limits set forth in this act or regulations issued pursuant to section 14;

(5) Encourage or permit an organized game or contest on the premises that involves consuming cannabis or cannabis products or the awarding of cannabis or cannabis products; or

(6) Advertise or promote, in any way, either on or off the premises, a practice prohibited under this section.

(e) An applicant for a safe use treatment facility endorsement shall:

(1) Complete an application on a form the ABC Board prescribes by regulations issued pursuant to section 14;

(2) Include with the application a ventilation proposal, which shall include information to address the following:

(A) Air change for the designated consumption space;

(B) Air change for common areas inside the dispensary;

(C) Filter type and odor control measures for the designated consumption space;

(D) Location of air intakes and exhaust outlets;

(E) Whether the designated consumption space area shares space with employee work areas; and

(F) Any other information deemed necessary through rulemaking.

(f) The initial application fee for the safe use treatment facility endorsement shall be \$1,000. The endorsement shall be valid for 3 years, with an annual registration fee of \$2,000.

Sec. 7d. Education tasting endorsement.

(a) The holder of a dispensary registration shall be eligible to apply to the ABC Board for an education tasting endorsement. The holder of an education tasting endorsement shall be permitted to offer cooking and how-to classes and demonstrations and tastings for educational purposes to qualifying patients and caregivers on-site. Activities offered by a dispensary under an education tasting endorsement shall be permitted to occur on the premises of the dispensary; except

that educational activities that include the smoking of medical cannabis by qualifying patients shall only occur in an ABC Board-approved safe use treatment facility.

(b) A dispensary with an education tasting endorsement shall:

(1) Display in the registered area conspicuous warning labels that are visible to the qualifying patient and the qualifying patient's caregiver concerning the consumption of medical cannabis and medical cannabis products;

(2) Destroy all unconsumed medical cannabis remaining from the educational activity; and

(3) Ensure that containers of medical cannabis to be used for educational activities are labeled as such and may not be sold.

(c) A dispensary with an education tasting endorsement shall not:

(1) Allow a person to consume alcohol, tobacco, or tobacco products on the premises;

(2) Allow a qualifying patient or caregiver to leave the premises with medical cannabis that was made available or offered as part of the educational activity;

(3) Advertise or promote, in any way, either on or off the premises, a practice prohibited under this section; or

(4) Make unsubstantiated medical claims about cannabis or cannabis products.

(d) The holder of an education tasting endorsement may offer educational activities on the registered premises between the hours of 7:00 a.m. and 9:00 p.m., 7 days per week; provided, that the ABC Board may alter these hours through rulemaking.

(e) The ABC Board shall establish, by regulation, permitted medical cannabis tasting or consumption limits for educational activities.

(f) An applicant for an education tasting endorsement shall complete an application on a form the ABC Board prescribes by regulations issued pursuant to section 14.

(g) The initial application fee for an education tasting endorsement shall be \$500. The endorsement shall be valid for 3 years, with an annual registration fee of \$1,000.

Sec. 7e. Dispensary delivery endorsement.

(a) The holder of a dispensary registration shall be eligible to apply to the ABC Board for a delivery endorsement. The holder of a delivery endorsement shall be permitted to offer curbside pickup and deliver medical cannabis directly to a qualifying patient or the qualifying patient's caregiver at residential and commercial building addresses located in the District that are not on District government or Federal property or public or private school grounds. For purposes of this section, a public or private park shall not be considered to be either a residential or commercial building address.

(b) A dispensary with a dispensary delivery endorsement shall:

(1) Only receive and accept an order by electronic or other means from a qualifying patient or the qualifying patient's caregiver;

(2) Only deliver to the qualifying patient or the qualifying patient's caregiver at the District address provided on the order and not "drop off" the product without verifying the identity of the recipient;

(3) Only travel through the District and not any surrounding jurisdictions to make deliveries;

(4) Abide by rules and standards as may established by the ABC Board pursuant to section 14 concerning:

(A) The frequency of deliveries to a single qualifying patient or caregiver in a day, week, or month;

(B) Overnight storage of any medical cannabis or medical cannabis products; and

(C) The operation and number of delivery vehicles allowed;

(5) Abide by the rules posted by any landlord or property owner with respect to prohibitions on cannabis deliveries on its property;

(6) Use its employees to deliver medical cannabis or medical cannabis products;

(7) At the time of an order, require the qualifying patient or the qualifying patient's caregiver to provide information necessary to verify that the qualifying patient or the qualifying patient's caregiver is qualified to purchase and receive a delivery of medical cannabis or medical cannabis products in accordance with this act and regulations issued pursuant to section 14;

(8)(A) Prior to transferring possession of the order to a qualifying patient aged 21 and older, inspect the qualifying patient's government-issued identification card and valid self-certification form to verify that the information provided at the time the order was placed matches information listed on the government-issued identification form;

(B) Prior to transferring possession of the order to a qualifying patient under age 21 or to a qualifying patient's caregiver, the dispensary shall inspect the person's government-issued identification card and registration identification card issued pursuant to this act to verify the possession of a valid registration identification card and that the information provided at the time the order was placed matches the information listed on the government-issued identification card;

(C) The dispensary's failure to check the required information in subparagraphs (A) and (B) of this paragraph may result in the ABC Board issuing a fine against the dispensary or suspending or revoking its registration in accordance with this act or regulations issued pursuant to section 14;

(9) Maintain, in each vehicle used for deliveries of medical cannabis or medical cannabis products, a secure, locked storage compartment for purposes of transporting and securing cash used as payment and the medical cannabis or medical cannabis products. The dispensary shall not store cash and medical cannabis or medical cannabis products in the same storage compartments;

(10) Only use delivery vehicles that:

(A) Contain a Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle, which shall be either permanently or temporarily affixed to the delivery vehicle while the delivery vehicle is in operation and remain active and in the possession of the delivery employee at all times during the delivery; and

(B) Do not bear any markings, images, words, or phrases that would indicate the delivery vehicle is used to deliver medical cannabis, including the name of the dispensary or cannabis-related related images; and

(11) Be permitted to dispense medical cannabis or medical cannabis products through curbside pickup or at-the-door pickup to a qualifying patient or caregiver if the dispensary:

(A) Dispenses medical cannabis to a qualifying patient with a valid self-certification form, a qualifying patient who is a minor or a qualifying patient's caregiver registered in the Program, or a qualifying patient enrolled in another jurisdiction's medical cannabis program;

(B) Implements a process for a qualifying patient to submit a valid copy of the qualifying patient's self-certification form, or for caregivers and qualifying patients who are minors, a valid registration identification card, and a government-issued identification card to the dispensary for verification prior to dispensing;

(C) Ensures that the exchange of medical cannabis or medical cannabis products to the qualifying patient or caregiver is clearly captured on the dispensary's video surveillance system;

(D) Only provides curbside pickup at curbside directly in front of the dispensary and in view of the dispensary's video surveillance cameras. If the dispensary's location or video surveillance system is not equipped to meet this requirement, the dispensary shall not provide curbside pickup or at-the-door pickup;

(E) Implements procedures to ensure that curbside pickup or at-the-door pickup is completed quickly and efficiently; and

(F) Implements a mechanism or recordkeeping process for qualifying patients or caregivers to document receipt of curbside pickup or at-the door pickup.

(c) The holder of the dispensary delivery endorsement may offer curbside pickup or deliver medical cannabis during the hours of 9:00 a.m. to 9:00 p.m., 7 days per week; provided, that the ABC Board may alter these hours through rulemaking.

(d) Applicants for the dispensary delivery endorsement shall complete an application prescribed by the Board by regulations issued pursuant to section 14.

(e) The initial application fee for the endorsement shall be \$500. The endorsement shall be valid for 3 years with an annual registration fee of \$1,000.

D.C. Official Code § 7–1671.07. Health Occupations Boards review of medical ~~marijuana~~ cannabis authorized practitioner recommendations.

(a) The Boards of Medicine, Nursing, and Dentistry" shall have the authority to review and audit the written authorized practitioner recommendations submitted to ABRA as part of the registration process and shall have the authority to discipline authorized practitioners under their licensing authority who act outside of the scope of this chapter.

~~(b) The relevant licensing board shall audit the recommendations submitted by any authorized practitioner who provides more than 250 recommendations in any 12-month period to patients for the use of medical marijuana.~~

(c) Submitting a false statement regarding a qualifying patient's eligibility to participate in the Program on the form developed pursuant to § 7-1761.04(b)(2) shall be grounds for the revocation, suspension, or denial of an authorized practitioner's license, or the imposition of a civil fine pursuant to § 3-1205.14(c), or both, at the licensing board's discretion.

D.C. Official Code § 7–1671.08. Penalties.

(a) Any person who manufactures, cultivates, possesses, administers, dispenses, distributes, or uses ~~marijuana~~ cannabis, or manufactures, possesses, distributes, or uses paraphernalia, in a manner not authorized by this chapter or the rules issued pursuant to § 7-1671.13 shall be subject to criminal prosecution and sanction under subchapter I of Chapter 11 of Title 48 [§ 48-1101 *et seq.*].

(b) Any person who makes a fraudulent representation to a law enforcement official of any fact or circumstance relating to the person's manufacture, cultivation, possession, administration, dispensing, distribution, or use of medical ~~marijuana~~ cannabis, or manufacture, possession, distribution, or use of paraphernalia, to avoid arrest or prosecution shall be subject to a criminal fine not to exceed \$1,000. The imposition of the fine shall be in addition to any other penalties that may otherwise apply for the making of a false statement or for the manufacture, cultivation, possession, administration, dispensing, distribution, or use of ~~marijuana~~ cannabis, or the manufacture, possession, distribution, or use of paraphernalia.

(c) It shall be an affirmative defense to a criminal charge of possession or distribution of ~~marijuana~~ cannabis, or possession with intent to distribute ~~marijuana~~ cannabis that the person charged with the offense is a person who:

(1) Was in possession of medical ~~marijuana~~ cannabis only inside the qualifying patient's residence or a medical treatment facility;

(2) Only administered or assisted in administering the medical ~~marijuana~~ cannabis to the qualifying patient and only within the qualifying patient's residence or at a permitted medical treatment facility;

(3) Assisted the qualifying patient only when the caregiver was not reasonably available to provide assistance; and

(4) Is 18 years of age or older.

(d) The ABC Board may impose ~~Civil~~ fines, penalties, and fees ~~may be imposed as sanctions~~ for any infraction of the provisions of this chapter, or any rules issued under § 7-1671.13, pursuant to Chapter 18 of Title 2 [§ 2-1801.01 *et seq.*]. Adjudication of any infraction of this chapter shall be pursuant to Chapter 18 of Title 2 [§ 2-1801.01 *et seq.*].

(e) Within 180 days after the applicability date of the Medical Cannabis Amendment Act of 2022, as approved by the Committee on the Judiciary and Public Safety on October 21, 2022 (Committee print of Bill 24-113), the ABC Board shall submit proposed regulations to the Council, setting forth a schedule of civil penalties, fines, and fees for violations of this act, for a 90-day period of review, including Saturdays, Sundays, holidays, and periods of Council recess. If the Council does not approve, in whole or in part, the proposed regulations within the 90-day review period, the regulations shall be deemed approved. The schedule shall replace all civil penalties, except as expressly provided in this act.

D.C. Official Code § 7-1671.08a. Medical Cannabis Administration Fund.

(a) There is established as a special fund the Medical Cannabis Administration Fund ("Fund"), which shall be administered by ABRA in accordance with subsection (c) of this section.

(b) All funds received from medical cannabis licensing, permitting, and registration fees shall be deposited into the Fund.

(c) Money deposited in the Fund shall be used by ABRA for the purpose of ~~administering the medical marijuana program;~~

(1) Administering the Program;

(2) Providing equity, grants, and loans, as outlined in section 9c; and

1129 (3) Assisting with job training and technical assistance for social equity applicants
1130 and medical cannabis certified business enterprises.

1131
1132 (d)(1) The money deposited into the Fund shall not revert to the unrestricted fund balance
1133 of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.

1134 (2) Subject to authorization in an approved budget and financial plan, any funds
1135 appropriated in the Fund shall be continually available without regard to fiscal year limitation.

1136 (e) Funds received from penalties and fines imposed under § 7-1671.08 shall be credited
1137 to the unassigned fund balance of the General Fund of the District of Columbia.

1138
1139 **D.C. Official Code § 7-1671.08b. Medical Cannabis Social Equity Fund.**

1140
1141 (a) There is established as a special fund the Medical Cannabis Social Equity Fund
1142 ("Fund"), which shall be administered by Department of Small and Local Business Development
1143 ("DSLBD") in consultation with ABRA and in accordance with subsection (c) of this section.

1144 (b) All revenue in excess of the amount budgeted in the Fiscal Year 2023 budget for Fiscal
1145 Year 2023 collected pursuant to § 47-2002(a)(7) shall be deposited into the Fund.

1146 (c) Money in the Fund shall be used to administer the medical cannabis certified business
1147 enterprise program established in accordance with § 7-1671.06(d)(5).

1148 (d)(1) The money deposited into the Fund shall not revert to the unrestricted fund balance
1149 of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.

1150 (2) Subject to authorization in an approved budget and financial plan, any funds
1151 appropriated in the Fund shall be continually available without regard to fiscal year limitation.

1152 (e) ABRA and DSLBD shall enter into a memorandum of understanding to effectively
1153 implement the distribution of funds in the Fund for the purpose set forth in subsection (c) of this
1154 section.

1155
1156 **Sec. 9c. Equity, grants, and loans to social equity applicants and medical cannabis**
1157 **certified business enterprises.**

1158
1159 (a) ABRA shall establish equity, grant, and loan programs for the purposes of providing
1160 financial assistance, equity, grants, loans, and technical assistance to social equity applicants and
1161 medical cannabis certified business enterprises.

1162 (b) ABRA shall have the authority to:

1163 (1) Provide equity, grants, and loans from monies in the Medical Cannabis
1164 Administration Fund established in section 9a and the Medical Cannabis Social Equity Fund
1165 established in section 9b to assist social equity applicants and medical cannabis certified business
1166 enterprises in gaining entry to, and successfully operating in, the Program;

1167 (2) Enter into agreements that set forth terms and conditions of the financial
1168 assistance, accept funds or grants, and engage in cooperation with private entities to carry out the
1169 purposes of this section;

1170 (3) Fix, determine, charge, and collect any premiums, fees, charges, costs, and
1171 expenses, including application fees, commitment fees, program fees, financing charges, or
1172 publication fees in connection with its activities under this section;

(4) Provide staff, administration, and related support required to administer this section;

(5) Establish application, notification, contract, and other forms, procedures, or rules; and

(6) Utilize vendors or contractors to carry out the purposes of this section.

(c) Grants made pursuant to this section shall be awarded competitively.

(d) Loans made pursuant to this section shall be in such principal amount and form and contain such terms and provisions with respect to security, insurance, reporting, delinquency, charges, default remedies, and other matters ABRA shall determine appropriate to protect the public interest.

(e) No later than one year after establishing any equity, grant, or loan program pursuant to this section, and annually thereafter, ABRA shall submit a report to the Mayor and Council on the outcomes of the program. The report shall include the following information:

(1) The number of persons or businesses receiving financial assistance under this section;

(2) The amount of financial assistance awarded in the aggregate, in addition to the number and amount of loans made that are outstanding and the number and amount of grants awarded;

(3) The location of the project engaged in by the person or business; and

(4) If applicable, the economic benefits created due to this financial assistance, such as jobs created.

D.C. Official Code § 7-1671.09. Medical ~~Marijuana~~ Cannabis Advisory Committee.

(a) The Mayor shall establish a Medical ~~Marijuana~~ Cannabis Advisory Committee (“Committee”), which shall monitor:

(1) Best practices in other states that allow the use of medical ~~marijuana~~ cannabis;

(2) Scientific research on the medical use of ~~marijuana~~ cannabis; and

(3) The ~~Program’s effectiveness of the District’s medical marijuana program.~~

(b) ~~No later than January 1, 2012, the Committee shall submit a report to the Mayor and the Council recommending:~~

(1) ~~Whether the District of Columbia should allow qualifying patients and caregivers to cultivate medical marijuana cannabis;~~

(2) ~~How to implement and regulate cultivation of medical marijuana by qualifying patients and caregivers; and~~

(3) ~~Any other comments the Committee believes to be important.~~

D.C. Official Code § 7-1671.10. Fees.

(a) ~~The Mayor~~ ABRA is authorized to establish, by rulemaking, fees for the registration of ~~caregivers,~~ cultivation centers, manufacturers, dispensaries, and testing laboratories, ~~and qualifying patients~~ and for the inspection and audit of cultivation centers, manufacturers, dispensaries, and testing laboratories.

(b) Any of the fees collected pursuant to this chapter shall be applied first toward the cost of administering this chapter.

1218
1219 **D.C. Official Code § 7–1671.11. Liability.**
1220

1221 (a) No liability shall be imposed by virtue of this chapter upon any duly authorized District
1222 officer engaged in the enforcement of any law relating to controlled substances.

1223 (b) The District shall not be held liable for any deleterious outcomes from the use of
1224 medical ~~marijuana~~ cannabis, including the acts or omissions of any qualifying patient attributed to
1225 the use of medical ~~marijuana~~ cannabis.
1226

1227 **D.C. Official Code § 7–1671.12. Public and private insurance.**
1228

1229 Nothing in this chapter shall require a governmental, private, or any other health insurance
1230 provider or health care service plan to be liable for any claim for reimbursement for the use of
1231 medical ~~marijuana~~ cannabis.
1232

1233 **D.C. Official Code § 7–1671.13. Rules.**
1234

1235 (a) The Mayor, pursuant to subchapter I of Chapter 5 of Title 2 [§ 2-501 *et seq.*], shall issue
1236 rules to implement the provisions of this chapter, including rules to:

1237 (1) Adopt manufacturing practices ~~that~~ with which cultivation centers,
1238 manufacturers, and dispensaries shall be required to comply ~~with~~ to ensure that medical ~~marijuana~~
1239 cannabis sold by cultivation centers, manufacturers, and dispensaries is of pharmaceutical grade;

1240 (2) Ensure that the labeling on medical ~~marijuana~~ cannabis sold by cultivation
1241 centers, manufacturers, and dispensaries provides sufficient and accurate information, verified by
1242 a testing laboratory, for qualifying patients to be able to make informed choices;

1243 (3) Ensure that each cultivation center, manufacturer, dispensary, and testing
1244 laboratory has appropriate signage and outdoor lighting and an appropriate security system,
1245 security plan, and theft prevention plan;

1246 (4) Limit the hours during which ~~dispensaries~~, cultivation enters, manufacturers,
1247 dispensaries, and testing laboratories may operate;

1248 (5) Determine, for the purpose of ensuring that qualifying patients have adequate
1249 access to medical ~~marijuana~~ cannabis, the number of cultivation centers, dispensaries,
1250 manufacturers, and testing laboratories that may operate in the District, ~~based on the number of~~
1251 ~~qualifying patients expected to register in the first year of the Program's operation; provided, that~~
1252 ~~the Mayor may adjust this number through rulemaking based on:~~

1253 (A) ~~The number of registered qualifying patients; and~~

1254 (B) ~~The number of qualifying patients expected to register in the subsequent~~
1255 ~~180 days;~~

1256 (6) Determine the amount of any registration fee for any ~~dispensary~~, cultivation
1257 center, dispensary, manufacturer, or testing laboratory;

1258 (7) Determine the forms of medical ~~marijuana~~ cannabis that cultivation centers,
1259 manufacturers, and dispensaries ~~and cultivation centers~~ shall be permitted to dispense or distribute;
1260 and

(8) ~~Within 6 months after February 18, 2017, d~~Determine the process for permitting a dispensary, cultivation center, manufacturer, dispensary, or testing laboratory to:

~~(A) Relocate within an election ward, established by the Council in § 1-1041.03, pursuant to § 7-1671.06(g-2); and~~

~~(B) C~~change ownership or controlling interest pursuant to § 7-1671.06(g-3).

(a-1) Pursuant to the transfer of functions of the Department of Health to ABRA by § 25-204.02, the Mayor shall issue rules in accordance with subsection (b) of this section, which rules shall allow registered dispensaries to provide medical ~~marijuana~~ cannabis to qualifying patients through delivery, curbside pickup, and at-the-door options.

(b) The Mayor shall submit the proposed rules to the Council for a 30-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not approve or disapprove the proposed rules, in whole or in part, by resolution, within this 30-day review period, the proposed rules shall be deemed approved.

Section 3

D.C. Official Code § 47-2844. Regulations; suspension or revocation of licenses; bonding of licensees authorized to collect moneys; exemptions.

(a) The Council of the District of Columbia and Mayor are further authorized and empowered to make any regulations that may be necessary in furtherance of the purpose of this chapter and the Mayor is further authorized and empowered to suspend or revoke any license issued hereunder when, in the Mayor's judgment, such is deemed desirable in the interest of public decency or the protection of lives, limbs, health, comfort, and quiet of the citizens of the District of Columbia, or for any other reason the Mayor may deem sufficient.

(a-1)(1) In accordance with § 2-509, the Mayor shall revoke the license of any licensee who knowingly has permitted on the licensed premises:

(A) The illegal sale, negotiation for sale, or use of any controlled substance as that term is defined in Chapter 9 of Title 48, or the Controlled Substances Act of 1970, approved October 27, 1970 (84 Stat. 1243; 21 U.S.C. § 801 *et seq.*);

(B) The possession, other than for personal use, sale, or negotiation for sale of drug paraphernalia in violation of Chapter 11 of Title 48;

(C) An act of prostitution as defined in [§ 22-2701.01(1)], or any act that violates any provision of [§§ 22-2701 through 22-2712 and 22-2718 through 22-2723]; or

(D) Conduct that violates [§ 48-911.01(a)]. In addition, the Mayor shall revoke any certificate of occupancy or permit associated with the specific address or unit, whichever is more specific, of the holder of a certificate of occupancy or permit who knowingly permits a violation of [§ 48-911.01(a)], to occur at the specific address or unit identified in the certificate of occupancy or permit.

(2) The Mayor, by rule, shall establish costs and fines to cover revocation of any license revoked pursuant to paragraph (1) of this subsection.

(a-2)(1) In addition to the provisions of subsection (a-1) of this section and paragraph (1A) of this subsection, the Mayor, notwithstanding § 2-1801.04(a)(1)), may take the following actions against any licensee, or agent or employee of a licensee, that, with or without the appropriate license required under this chapter, engages in the purchase, sale, exchange, or any other form of commercial transaction involving used goods or merchandise that are knowingly stolen:

(A) The Mayor, for the first violation of this paragraph:

(i) Shall issue a fine in the amount of \$2,500; and

(ii) May seal the licensee's premises for up to 96 hours without a prior hearing.

(B) The Mayor, for the second violation of this paragraph:

(i) Shall issue a fine in the amount of \$5,000;

(ii) May seal the licensee's premises for up to 96 hours without a prior hearing; and

(iii)(I) Shall, within 30 days of the issuance of a fine, require the licensee to submit a remediation plan approved by the Mayor, in consultation with the Chief of Police, that contains the licensee's plan to prevent any future recurrence of purchasing, selling, exchanging, or otherwise transacting stolen goods and acknowledgement that a subsequent occurrence of engaging in prohibited activities may result in the revocation of all licenses issued to the licensee pursuant to this chapter.

(II) If the licensee fails to submit a remediation plan in accordance with this sub-subparagraph, or if the Mayor rejects the licensee's remediation plan, the Mayor shall provide written notice to the licensee of the Mayor's intent to suspend all licenses issued to the licensee pursuant to this chapter for an additional 30 days.

(C) The Mayor, for the third violation of this paragraph:

(i) Shall issue a fine in the amount of \$10,000;

(ii) May seal the licensee's premises for up to 96 hours without a prior hearing; and

(iii) Shall provide written notice to the licensee of the Mayor's intent to permanently revoke all licenses issued to the licensee pursuant to this chapter.

(1A) In addition to the provisions of subsection (a-1) of this section and paragraph (1) of this subsection, the Mayor or the Chief of Police, notwithstanding [§ 2-1801.04(a)(1)], may take the following actions against, or impose the following requirements upon, any licensee, or agent or employee of a licensee, that knowingly engages or attempts to engage in the purchase, sale, exchange, or any other form of commercial transaction involving a synthetic drug, including the possession of multiple units of a synthetic drug:

(A) For the first violation of this paragraph:

(i) The Mayor shall issue a fine in the amount of \$10,000;

(ii) The Mayor may issue a notice to revoke all licenses issued to the licensee pursuant to this chapter; and

(iii)(I) The Chief of Police, after a determination by the Mayor in accordance with [§ 2-1801.06(a)], shall seal the licensee's premises, or a portion of the premises, for up to 96 hours without a prior hearing;

(II) Within 14 days after a licensee's premises is sealed under sub-sub-subparagraph (I) of this sub-subparagraph, the Mayor shall require the licensee to submit a remediation plan to the Director of the Department of Licensing and Consumer Protection that contains the licensee's plan to prevent any future recurrence of purchasing, selling, exchanging, or otherwise transacting any synthetic drug and acknowledgement that a subsequent occurrence of engaging in prohibited activities may result in the revocation of all licenses issued to the licensee pursuant to this chapter.

(III) If the licensee fails to submit a remediation plan in accordance with this sub-subparagraph, or if the Mayor, in consultation with the Chief of Police, rejects the licensee's remediation plan, the Mayor shall provide written notice to the licensee of the defects in any rejected remediation plan and the Mayor's intent to revoke all licenses issued to the licensee pursuant to this chapter.

(IV) If the licensee cures the defects in a rejected remediation plan, the Mayor may suspend any action to revoke any license of the licensee issued pursuant to this chapter.

(V) The Mayor shall notify the Office of the Attorney General upon sealing a licensee's premises, or a portion of the premises.

(B) For any subsequent violation of this paragraph:

(i) The Mayor shall issue a fine in the amount of \$20,000; and
(ii) The Chief of Police, after a determination by the Mayor in accordance with [§ 2-1801.06(a)], shall seal the licensee's premises, or a portion of the premises, for up to 30 days without a prior hearing.

(C) If a licensee's premises, or a portion of the premises, is sealed under subparagraph (A) or (B) of this paragraph, a licensee shall have the right to request a hearing with the Office of Administrative Hearings within 3 business days after service of notice of the sealing of the premises under subparagraph (E) of this paragraph.

(D) If a licensee timely requests a hearing under subparagraph (C) of this paragraph, the Office of Administrative Hearings shall hold a hearing before an administrative law judge within 3 business days after receiving the request.

(E) At the time of the sealing of the premises, or a portion of the premises, under subparagraph (A) or (B) of this paragraph, the Director of the Department of Licensing and Consumer Protection shall post at the premises and serve on the licensee a written notice and order stating:

(i) The specific action or actions being taken;
(ii) The factual and legal bases for the action or actions;
(iii) The right, within 3 business days after service of notice of the sealing of the premises, to request a hearing with the Office of Administrative Hearings;
(iv) The right to a hearing before an administrative law judge, within 3 business days after a timely request being received by the Office of Administrative Hearings; and

(v) That it shall be unlawful for any person, with the exception of emergency services personnel, to enter the sealed premises for any purpose without written permission by the Director of the Department of Licensing and Consumer Protection.

(F) A licensee shall pay a fine issued pursuant to subparagraph (A) or (B) of this paragraph within 20 days after adjudication by the Office of Administrative Hearings. If the licensee fails to pay the fine within the specified time period, the Mayor may seal the premises until the fine is paid.

(G) For the purposes of this paragraph, the term:

(i) "Business days" means days in which the Office of Administrative Hearings is open for business.

(ii) "Synthetic drug" means any product possessed, provided, distributed, sold, or marketed with the intent that it be used as a recreational drug, such that its consumption or ingestion produces effects on the central nervous system or brain function to change perception, mood, consciousness, cognition, or behavior in ways that are similar to the effects of marijuana, cocaine, amphetamines, or Schedule I narcotics under § 48-902.04. The term "synthetic drug" also includes any chemically synthesized product (including products that contain both a chemically synthesized ingredient and herbal or plant material) possessed, provided, distributed, sold, or marketed with the intent that the product produce effects substantially similar to the effects created by compounds banned by District or federal synthetic drug laws or by the U.S. Drug Enforcement Administration pursuant to its authority under the Controlled Substances Act, approved October 27, 1970 (84 Stat. 1247; 21 U.S.C. § 812). Any of the following factors shall be treated as indicia that a product is being marketed with the intent that it be used as a recreational drug:

(I) The product is not suitable for its marketed use (such as a crystalline or powder product being marketed as "glass cleaner");

(II) The individual or business providing, distributing, displaying, or selling the product does not typically provide, distribute, display, or sell products that are used for that product's marketed use (such as liquor stores, smoke shops, or gas or convenience stores selling "plant food");

(III) The product contains a warning label that is not typically present on products that are used for that product's marketed use including, "Not for human consumption", "Not for purchase by minors", "Must be 18 years or older to purchase", "100% legal blend", or similar statements;

(IV) The product is significantly more expensive than other products that are used for that product's marketed use;

(V) The product resembles an illicit street drug (such as cocaine, methamphetamine, or Schedule I narcotic) or marijuana; or

(VI) The licensee or any employee of the licensee has been warned by a District government agency or has received a criminal incident report, arrest report, or equivalent from any law enforcement agency that the product or a similarly labeled product contains a synthetic drug.

(1B) No earlier than 180 days after the applicability date of the Medical Cannabis Amendment Act of 2022, as approved by the Committee on the Judiciary and Public Safety on October 21, 2022 (Committee print of Bill 24-113), in addition to the provisions of subsection (a-1) of this section and paragraph (1) of this subsection, the Mayor, notwithstanding § 2-1801.04(a)(1), may take the following actions against, or impose the following requirements upon,

any licensee, or agent of a licensee, that knowingly engages or attempts to engage in the purchase, sale, exchange, or any other form of commercial transaction involving cannabis that is not purchased, sold, or exchanged in accordance with Chapter 16B of Title 7 or § 48-904.01:

(A) For the first violation of this paragraph, the Mayor:

(i) May issue a:

(I) Fine in the amount of up to \$10,000; and

(II) Notice to revoke all licenses issued to the licensee pursuant to this chapter, with notices issued pursuant to this sub-subparagraph provided to the Alcoholic Beverage Regulation Administration; and

(ii)(I) After a determination made in accordance with § 2-1801.06(a), shall seal the licensee's premises, or a portion of the premises, for up to 96 hours without a prior hearing, with notice of the sealing given to the Alcoholic Beverage Regulation Administration, the Director of the Department of Licensing and Consumer Protection, and the Office of Attorney General.

(II) Within 14 days after a licensee's premises is sealed pursuant to sub-sub-subparagraph (I) of this sub-subparagraph, the Mayor shall require the licensee to submit a remediation plan to the Director of the Department of Licensing and Consumer Affairs that contains the licensee's plan to prevent any future recurrence of purchasing, selling, exchanging, or otherwise transacting any cannabis that is not purchased, sold, or exchanged in accordance with Chapter 16B of Title 7 or § 48-904.01, and acknowledgement that a subsequent occurrence of engaging in prohibited activities may result in the revocation of all licenses issued to the licensee pursuant to this chapter.

(III) If the licensee fails to submit a remediation plan in accordance with this sub-subparagraph, or if the Mayor, in consultation with the Director of the Department of Licensing and Consumer Protection, rejects the licensee's remediation plan, the Mayor shall notify the licensee of the defects in any rejected remediation plan and the Mayor's intent to revoke all licenses issued to the licensee pursuant to this chapter.

(IV) If the licensee cures the defects in a rejected remediation plan, the Mayor may suspend any action to revoke the license of the licensee issued pursuant to this chapter.

(B) For any subsequent violation of this paragraph, the Mayor:

(i) May issue a fine in the amount of up to \$20,000; and

(ii) After a determination made in accordance with § 2-1801.06(a), shall seal the licensee's premises, or a portion of the premises, for up to 30 days without a prior hearing.

(C) At the time of the sealing of the premises, or a portion of the premises, pursuant to subparagraph (A)(ii)(I) or (B)(ii) of this paragraph, the Director of the Department of Licensing and Consumer Protection shall post at the premises and serve on the licensee a written notice and order stating:

(i) The specific action or actions being taken;

(ii) The factual and legal bases for the action or actions;

(iii) The right, within 3 business days after service of notice of the sealing of the premises, to request a hearing with the Office of Administrative Hearings;

(iv) The right to a hearing before an administrative law judge, within 3 business days after a timely request being received by the Office of Administrative Hearings; and

(v) That it shall be unlawful for any person, with the exception of emergency services personnel, to enter the sealed premises for any purpose without written permission by the Director of the Department of Licensing and Consumer Protection.

(D)(i) If a licensee's premises, or a portion of the premises, is sealed pursuant to subparagraph (A)(ii)(I) or (B)(ii) of this paragraph, a licensee shall have the right to request a hearing with the Office of Administrative Hearings within 3 business days of service of notice of the sealing of the premises under subparagraph (C) of this paragraph. If a licensee timely requests a hearing, the Office of Administrative Hearings shall hold a hearing before an administrative law judge within 3 business days after receiving the request.

(ii) The administrative law judge shall issue an opinion no later than 30 calendar days after the hearing.

(E) A licensee shall pay a fine issued pursuant to subparagraph (A)(i)(I) or (B)(i) of this paragraph within 20 calendar days after an opinion is issued by an administrative law judge with the Office of Administrative Hearings. If the licensee fails to pay the fine within the specified time period, the Mayor may seal the premises until the fine is paid.

(F) For purposes of this paragraph, the term:

(i) "Business days" means days in which the Office of Administrative Hearings is open for business.

(ii) "Cannabis" shall have the same meaning as provided in § 48-901.02(3).

(2)(A) A violation of this subsection shall be a civil infraction for purposes of Chapter 18 of Title 2. Civil fines, penalties, and fees may be imposed as sanctions for any infraction of the provisions of this subsection, or the rules issued under authority of this subsection, pursuant to Chapter 18 of Title 2.

(B) Adjudication of any infraction of this subsection shall be pursuant to Chapter 18 of Title 2.

(C) Summary action taken pursuant to this subsection shall be pursuant to subchapter 1 of Chapter 18 of Title 2.

(3) In addition to other remedies provided by law, the Office of the Attorney General for the District of Columbia may commence an action in the Civil Branch of the Superior Court of the District of Columbia to compel compliance, abate, enjoin, or prevent violations of this subsection. Plaintiff need not prove irreparable injury or harm to obtain a preliminary or temporary injunction.

(a-3)(1) The term "knowingly" includes:

(A) For the purposes of subsections (a-1) and (a-2) of this section, actual notice of a specific violation set forth in subsection (a-1) or (a-2) of this section to the licensee, or agent or employee of the licensee, issued by a District agency notifying the licensee, or agent or employee of the licensee, of the same or similar violation occurring on the licensee's premises; or

(B) For the purposes of subsection (a-2) of this section, constructive notice to the licensee, or agent or employee of the licensee, resulting from the failure of the licensee, or agent or employee of the licensee, to ascertain the ownership of the used goods or merchandise.

(2) For the purposes of this subsection, actual or constructive notice to the agent or employee of the licensee constitutes notice to the licensee.

(b) Notwithstanding any of the provisions of this chapter requiring an inspection as a prerequisite to the issuance of a license, the Mayor is authorized to provide by regulation that any

such inspection shall be made either prior or subsequent to the issuance of a license, but any such license, whether issued prior or subsequent to a required inspection, may be suspended or revoked for failure of the licensee to comply with the laws or regulations applicable to the licensed business, trade, profession, or calling.

(c)(1) The Council may in its discretion require that any class or subclass of licensees licensed under the authority of this chapter to engage in a business, trade, profession or calling involving an express or implied agreement to collect money for others shall give bond to safeguard against financial loss those persons with whom such class or subclass of licensees may so agree.

(2) The bond which may be required by the Council under the authority of this subsection shall be a corporate surety bond in an amount to be fixed by the Council, but not to exceed \$15,000, conditioned upon the observance by the licensee and any agent or employee of said licensee of all laws and regulations in force in the District of Columbia applicable to the licensee's conduct of the business, trade, profession, or calling licensed under the authority of this chapter, for the benefit of any person who may suffer damages resulting from the violation of any such law or regulation by or on the part of such licensee, his agent, or employee.

(3) Any person aggrieved by the violation of any law or regulation applicable to a licensee's conduct of a business, trade, profession, or calling involving the collection of money for others shall have, in addition to his right of action against such licensee, a right to bring suit against the surety on the bond authorized by this subsection, either alone or jointly with the principal thereon, and to recover in an amount not exceeding the penalty of the bond any damages sustained by reason of any act, transaction, or conduct of the licensee and any agent or employee of said licensee which is in violation of law or regulation in force in the District of Columbia relating to the business, trade, profession, or calling licensed under this chapter; and the provisions of the 2nd, 3rd (except the last sentence thereof), and 5th paragraphs of subsection (b) of § 1-301.01 shall be applicable to such bond as if it were the bond authorized by the first paragraph of such subsection (b) of § 1-301.01; provided, that nothing in this subsection shall be construed to impose upon the surety on any such bond a greater liability than the total amount thereof or the amount remaining unextinguished after any prior recovery or recoveries.

(4) This subsection shall not be applicable to persons when engaged in the regular course of any of the following professions or businesses:

- (A) Attorneys-at-law;
- (B) Persons regularly employed on a regular wage or salary, in the capacity of creditment or in a similar capacity, except as an independent contractor;
- (C) Banks and financing and lending institutions;
- (D) Common carriers;
- (E) Title insurers and abstract companies while doing an escrow business;
- (F) Licensed real estate brokers; or
- (G) Employees of any class or subclass of licensees required to give bond under this subsection.

1561 **Section 4**

1562
1563 **Sec. 4. Penalties for commercial property owners of illegal cannabis businesses.**

1564
1565 (a)(1) For the first violation of D.C. Official Code § 47-2844(a-2)(1B), the Mayor shall
1566 send a notice to the commercial property owner where the illegal activity occurred stating:

1567 (A) The nature of illegal activity documented on the premises;
1568 (B) The specific action or actions being taken against the licensee operating
1569 on the premises; and

1570 (C) The commercial property owner may be subject to civil penalties for
1571 any subsequent illegal activity under D.C. Official Code § 47-2844(a-2)(1B) pursuant to
1572 subsection (c) of this section.

1573 (2) Notices issued pursuant to this subsection shall be provided to the Alcoholic
1574 Beverage Regulation Administration, the Director of the Department of Licensing and Consumer
1575 Protection, and the Office of Attorney General.

1576 (b) For any subsequent violation of D.C. Official Code § 47-2844(a-2)(1B):

1577 (1) The Mayor shall issue a fine in the amount of up to \$10,000 to the commercial
1578 property owner; and

1579 (2)(A) The Mayor shall require the commercial property owner to submit a
1580 remediation plan within 14 days after the notice of a fine under paragraph (1) of this subsection to
1581 the Director of the Department of Licensing and Consumer Protection that contains the commercial
1582 property owner's plan to prevent any future violations of D.C. Official Code § 47-2844(a-2)(1B).

1583 (B) If the commercial property owner fails to submit a remediation plan in
1584 accordance with subparagraph (A) of this paragraph, or if the Mayor, in consultation with the
1585 Director of the Department of Licensing and Consumer Protection, rejects the commercial property
1586 owner's remediation plan, the Mayor may issue additional fines or revoke the commercial property
1587 owners' licenses.

1588 (c)(1) A commercial property owner has the right to request a hearing with the Office of
1589 Administrative Hearings within 3 business days after service of notice of any actions taken under
1590 subsection (b) of this section.

1591 (2) If a commercial property owner timely requests a hearing pursuant to this
1592 subsection, the Office of Administrative Hearings shall hold a hearing before an administrative
1593 law judge within 3 business days after receiving the request.

1594 (3) The administrative law judge shall issue an opinion no later than 30 calendar
1595 days after the hearing.

1596 (d) For purposes of this paragraph, the term:

1597 (1) "Business days" means days in which the Office of Administrative Hearings is
1598 open for business.

1599 (2) "Cannabis" shall have the same meaning as provided in D.C. Official Code §
1600 48-901.02(3).

Section 5

22 DCMR § C501. Residency.

501.1 For purposes of this subtitle, a patient shall be a resident of the District of Columbia if the individual:

- (a) Is physically present in the District of Columbia;
- (b) Has taken verifiable actions to make the District his or her home indefinitely with no present intent to reside elsewhere; and
- (c) Is not merely present in the District for the sole purpose of obtaining medical marijuana.

501.2 In proving bona fide District residency, an applicant shall submit:

(a) A non-expired Real ID driver license issued by the District of Columbia Department of Motor Vehicles; or

(b) At least ~~two (2)~~ one (1) of the following items:

(1) Proof of payment of District of Columbia personal income tax, in the name of the applicant, for the tax period closest in time to the application date;

(2) A property deed for a District of Columbia residence showing the applicant as an owner or co-owner;

(3) A valid unexpired lease or rental agreement in the name of the applicant on a District of Columbia residential property;

(4) A pay stub issued less than forty-five (45) days prior to the application date which shows evidence of the applicant's withholding of District income tax;

(5) A voter registration card with an address in the District of Columbia;

(6) Current official documentation of financial assistance received by the applicant from the District Government including, but not limited to Temporary Assistance for Needy Families (TANF), Medicaid, the State Child Health Insurance Program (SCHIP), Supplemental Security Income (SSI), housing assistance, or other governmental programs;

(7) A current motor vehicle registration in the name of the applicant evidencing District residency;

(8) A valid unexpired District motor vehicle operator's permit or other official non-driver identification in the name of the applicant;

(9) Utility bills ~~(excluding telephone bills)~~ from a period within the two (2) months immediately preceding the application date in the name of the applicant on a District of Columbia residential address; ~~or~~

(10) A bank statement addressed to the applicant from a period within the two (2) months immediately preceding the application date in the name of the applicant on a District of Columbia residential address; or

~~(10)~~ Any other reasonable form of verification deemed by the Director or the Director's agent to demonstrate proof of current residency.

ATTACHMENT G

Committee Print
B24-0113
Committee on the Judiciary & Public Safety
October 21, 2022

A BILL

24-0113

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Legalization of Marijuana for Medical Treatment Initiative of 1999 to rename the phrase “medical marijuana” to “medical cannabis” and the word “marijuana” to “cannabis”, to remove the requirement of a bona fide relationship between a qualifying patient and an authorized practitioner, to provide definitions for “economically-disadvantaged individuals”, “manufacturers”, “medical cannabis certified business enterprises”, “non-resident cardholders”, “pesticides”, “returning citizens”, “social equity applicants”, “straw ownership”, “transitional licenses”, and “unregistered establishments”, to allow qualifying patients ages 21 and older to self-certify that they have a qualifying medical or dental condition or are undergoing a qualifying medical or dental treatment, to increase the amount of dried cannabis that qualifying patients and caregivers may possess, to allow for the issuance of 2-year qualifying patient and caregiver registration cards, to require testing laboratories to test medical cannabis and medical cannabis products for mycotoxins, pesticides, and heavy metals, to establish a manufacturer’s license, to remove statutorily-prescribed limits on the number of facilities that may locate in certain areas, to create criteria, application processes, preference points, and licensure prioritizations for social equity applicants and medical cannabis certified business enterprises, to remove the plant count limit, to prescribe the criteria for evaluating criminal histories, to create transitional licenses for unregistered establishments, to create safe use treatment facility, education tasting, and dispensary delivery endorsements, to amend the authorized uses of the Medical Cannabis Administration Fund to allow ABRA to use monies in the fund for equity, grants, and loans to social equity applicants and medical cannabis certified business enterprises, and to establish those equity, grant, and loan programs; to amend D.C. Official Code § 47–2844 to create a civil enforcement mechanism for businesses and commercial property owners illegally distributing or selling cannabis; and to amend Title 22-C of the District of Columbia Municipal Regulations to allow qualifying patients to establish residency in the District with one document, including a telephone bill or bank statement containing a District address.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Medical Cannabis Amendment Act of 2022”.

Sec. 2. The Legalization of Marijuana for Medical Treatment Initiative of 1999, effective February 25, 2010 (D.C. Law 13-315; D.C. Official Code § 7-1671.01 *et seq.*), is amended as follows:

(a) Section 2 (D.C. Official Code § 7-1671.01) is amended as follows:

(1) Paragraph (1) is amended by striking the phrase “Board.” and inserting the phrase “Board.” in its place.

(2) Paragraph (1C) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(3) Paragraph (2) is repealed.

(4) A new paragraph (2A) is added to read as follows:

“(2A) “Cannabis” shall have the same meaning as provided in section 102(3) of the District of Columbia Uniform Controlled Substances Act of 1981, effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.02(3)).”.

(5) Paragraph (3) is amended to read as follows:

“(3) “Caregiver” means a person at least 18 years of age who is designated by a qualifying patient as the person authorized, on the qualifying patient’s behalf, to possess, obtain from a dispensary, dispense, administer, and assist in the administration of medical cannabis.”.

(6) Paragraph (5) is amended by striking the phrase “medical marijuana” both times it appears and inserting the phrase “medical cannabis” in its place.

(7) Paragraph (7) is amended by striking the phrase “medical marijuana” and inserting the phrase “medical cannabis” in its place.

(8) Paragraph (8) is amended by striking the phrase “medical marijuana” and inserting the phrase “medical cannabis” in its place.

(9) A new paragraph (9A) is added to read as follows:

“(9A) “Economically disadvantaged individual” shall have the same meaning as provided in section 2302(7) of the Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.02(7)).”.

(10) Paragraph (10) is amended by striking the phrase “of marijuana” and inserting the phrase “of cannabis” in its place.

(11) Paragraph (11) is repealed.

(12) A new paragraph (11A) is added to read as follows:

“(11A) “Manufacturer” means a facility operated by an organization or business registered with ABRA pursuant to section 6 to:

“(A) Process medical cannabis from cultivation centers into medical cannabis concentrates and medical cannabis-infused products;

“(B) Package and label medical cannabis concentrates and medical cannabis-infused products for dispensing at dispensaries; and

“(C) Sell medical cannabis concentrates and medical cannabis-infused products at wholesale to dispensaries.”.

(13) Paragraph (12) is amended by striking the phrase ““Medical marijuana” means marijuana” and inserting the phrase ““Medical cannabis” means cannabis” in its place.

(14) Paragraph (12A) is redesignated as paragraph (12B).

(15) A new paragraph (12A) is added to read as follows:

90 “(12A) “Medical cannabis certified business enterprise" means a certified business
91 enterprise, as that term is defined in section 2302(1D) of the Small and Certified Business
92 Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-
93 33; D.C. Official Code § 2-218.02(1D)), that operates a cultivation center, dispensary,
94 manufacturer, or testing laboratory and has:

95 “(A) At least one owner who is a District resident, individually or
96 collectively owns at least 60% of the business, and who is an economically disadvantaged
97 individual or an individual who has been subjected to racial or ethnic prejudice or bias because of
98 their identity as a member of a group without regard to their individual qualities;

99 “(B) At least one owner who is a District resident, individually or
100 collectively owns at least 60% of the business, and whose income does not exceed \$349,999 and
101 net worth, excluding the value of their residence, does not exceed \$1 million;

102 “(C) A chief executive officer and its highest-level managerial employees
103 who perform their managerial functions in a principal office located in the District;

104 “(D) At least 50% of its employees who are District residents;

105 “(E) At least 50% of its contractors who are District residents; and

106 “(F) At least 80% of the assets of the business, including bank accounts, are
107 in the District.”.

108 (16) The newly redesignated paragraph (12B) is amended to read as follows:

109 “(12B) “Medical cannabis product” means a product derived from or composed of
110 medical cannabis, in part or in whole.”.

111 (17) A new paragraph (13B) is added to read as follows:

112 “(13B) “Non-resident cardholder” means a non-District resident who:

113 “(A) Is not enrolled in another jurisdiction’s medical cannabis program; and
114 “(B) Has submitted documentation required by ABRA for a temporary 30-
115 day registration identification card and received confirmation from ABRA of their registration.”.

116 (18) Paragraph (14) is amended as follows:

117 (A) Subparagraph (A) is amended by striking the phrase “medical marijuana
118 into” and inserting the phrase “medical cannabis into” in its place.

119 (B) Subparagraph (B) is amended by striking the phrase “medical
120 marijuana.” and inserting the phrase “medical cannabis.” in its place.

121 (19) A new paragraph (14A) is added to read as follows:

122 “(14A) “Pesticide” includes:

123 “(A) Any substance or mixture of substances intended to prevent, destroy,
124 control, repel, or mitigate any insect, rodent, snail, slug, fungus, weed, and any other form of plant
125 or animal life or virus, except a virus on or in a living person or other animal which is normally
126 considered to be a pest;

127 “(B) Any substance or mixture of substances intended to be used as a plant
128 regulator, defoliant, or desiccant; and

129 “(C) Any spray adjuvant.”.

130 (20) Paragraph (16) is amended by striking the phrase “medical marijuana
131 program” and inserting the phrase “medical cannabis program” in its place.

132 (21) Paragraph (17) is amended to read as follows:

133 “(17) “Qualifying medical or dental condition” means any condition for which
134 treatment with medical cannabis would be beneficial, as determined by an authorized
135 practitioner.”.

(22) Paragraph (18)(D) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(23) Paragraph (19) is amended to read as follows:

“(19) “Qualifying patient” means a:

“(A) District resident who has a qualifying medical or dental condition or is undergoing a qualifying medical or dental treatment; or

“(B) Patient enrolled in another jurisdiction’s medical cannabis program; provided, that such a patient shall not be a qualifying patient if ABRA determines that there is a shortage of medical cannabis or the real-time electronic records system.”.

(24) Paragraph (19A) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(25) New paragraphs (20A), (20B), and (20C) are added to read as follows:

“(20A) “Returning citizen” means a District resident who was arrested, convicted, or incarcerated for a cannabis-related offense.

“(20B) “Social equity applicant” means an applicant for registration with ABRA pursuant to section 6 that has:

“(A) At least one owner who is a District resident, individually or collectively owns at least 60% of the business, and is a returning citizen;

“(B) At least one owner who is a District resident, individually or collectively owns at least 60% of the business, and whose income does not exceed \$349,999 and net worth, excluding the value of their residence, does not exceed \$1 million;

“(C) A chief executive officer and its highest-level managerial employees who perform their managerial functions in a principal office located in the District;

159 “(D) At least 50% of its employees who are District residents;
160 “(E) At least 50% of its contractors who are District residents; and
161 “(F) At least 80% of the assets of the business, including bank accounts, are
162 in the District.

163 “(20C) “Straw ownership” means nominal ownership without the attendant benefits
164 and risks of genuine ownership, where a person, often for a fee, allows themselves to be named on
165 documents or purports in writing to be an owner, in whole or in part, for the purpose of satisfying
166 a government regulatory requirement.”.

167 (26) Paragraph (21) is amended to read as follows:

168 “(21) “Testing laboratory” means an entity that is not owned or operated by a
169 director, officer, member, incorporator, agent, or employee of a cultivation center, dispensary, or
170 manufacturer, and is registered by ABRA to test medical cannabis and medical cannabis products
171 that are to be sold pursuant to this act.”.

172 (27) New paragraphs (22) and (23) are added to read as follows:

173 “(22) “Transitional license” means a temporary medical cannabis dispensary
174 license that permits an unregistered establishment to purchase medical cannabis from a cultivation
175 center for sale or delivery to qualifying patients.

176 “(23) “Unregistered establishment” means a sole proprietorship, partnership, or
177 other business entity that:

178 “(A) Sells cannabis and cannabis products;

179 “(B) Operates at a specific location in the District; and

180 “(C) Is not registered with ABRA as a cultivation center, dispensary,
181 manufacturer, or testing laboratory.”.

(b) Section 3 (D.C. Official Code § 7-1671.02) is amended as follows:

(1) The section heading is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(2) Subsection (a) is amended to read as follows:

“(a) Notwithstanding any other District law, a qualifying patient may purchase, possess, use, and administer medical cannabis, and purchase, possess, and use paraphernalia, in accordance with this act and the rules issued pursuant to section 14.”.

(3) Subsection (b) is amended to read as follows:

“(b) Notwithstanding any other District law, a caregiver may obtain, possess, dispense, administer, and assist in the administration of medical cannabis to a qualifying patient, and obtain, possess, and use paraphernalia, for the sole purpose of assisting in the administration of medical cannabis to a qualifying patient in accordance with this act and the rules issued pursuant to section 14.”.

(4) A new subsection (b-1) is added to read as follows:

“(b-1) When registering pursuant to section 6, a caregiver shall not be required to submit a criminal background check to ABRA.”.

(5) Subsection (c) is amended to read as follows:

“(c) A qualifying patient may only purchase, possess, and administer medical cannabis, or purchase, possess, and use paraphernalia, for a qualifying medical or dental condition or a qualifying medical or dental treatment, and after having:

“(1)(A) Obtained a signed, written recommendation from an authorized practitioner within the last 2 years in accordance with section 5, except for individuals 21 years of age and

older who shall be permitted to self-certify on a form provided by ABRA that they are utilizing cannabis for medical purposes as part of the registration process; and

“(B) Registered with ABRA pursuant to section 6; or

“(2) Enrolled in another jurisdiction’s medical marijuana program.”.

(6) A new subsection (c-1) is added to read as follows:

“(c-1) Where a qualifying patient's or caregiver's registration identification card has expired or will expire at any time between March 1, 2020, and March 31, 2023, and the qualifying patient or caregiver has not submitted an application for a new registration identification card, the qualifying patient or caregiver may continue to obtain, purchase, possess, dispense, use, administer, and assist in the administration of, respectively, medical cannabis in accordance with this act and the rules issued pursuant to section 14 until March 31, 2023. On or after April 1, 2023, the qualifying patient or caregiver shall possess a valid registration identification card to continue to obtain, purchase, possess, dispense, use, administer, and assist in the administration of, respectively, medical cannabis.”.

(7) Subsection (d) is amended to read as follows:

“(d) A qualifying patient or caregiver shall only obtain, purchase, possess, dispense, use, administer, or assist in the administration of medical cannabis, or obtain, purchase, possess, and use paraphernalia, obtained from a dispensary registered with ABRA pursuant to section 6.”.

(8) Subsection (e) is amended to read as follows:

“(e)(1) A qualifying patient who is a minor may purchase, possess, use, and administer medical cannabis, and purchase, possess, and use paraphernalia, only after having received a recommendation from an authorized practitioner and registered with ABRA.

226 “(2) A signed, written statement from the minor qualifying patient’s parent or legal
227 guardian shall be submitted when registering with ABRA, which affirms that the parent or legal
228 guardian:

229 “(A) Understands the qualifying medical or dental condition or qualifying
230 medical or dental treatment of the minor;

231 “(B) Understands the potential benefits and adverse effects of the use of
232 medical cannabis, generally, and specifically, in the case of the minor;

233 “(C) Consents to the use of medical cannabis for the minor’s qualifying
234 medical or dental condition or qualifying medical or dental treatment; and

235 “(D) Consents to, or designates another adult to, serve as the caregiver for
236 the qualifying patient, and the caregiver controls the acquisition, possession, dosage, and
237 frequency of use of medical cannabis by the qualifying patient.”.

238 (c) Section 4 (D.C. Official Code § 7-1671.03) is amended as follows:

239 (1) The section heading is amended by striking the phrase “of medical marijuana”
240 and inserting the phrase “of medical cannabis” in its place.

241 (2) Subsection (a) is amended to read as follows:

242 “(a) The maximum amount of medical cannabis that any qualifying patient or caregiver
243 may possess at any moment is 8 ounces of dried medical cannabis; provided, that the Mayor shall
244 promulgate limits on medical cannabis of forms other than dried medical cannabis through
245 rulemaking.”.

246 (3) Subsection (b) is amended to read as follows:

247 “(b) Medical cannabis shall only be administered by or to a qualifying patient at:

248 “(1) A qualifying patient’s residence, if permitted;

249 “(2) The residence of an individual who has given permission to the qualifying
250 patient to administer medical cannabis at the individual’s residence, if permitted;

251 “(3) A medical treatment facility, when receiving medical care for a qualifying
252 medical or dental condition or a qualifying medical or dental treatment, if permitted by the medical
253 treatment facility;

254 “(4) A safe use treatment facility licensed by ABRA pursuant to section 7a; or

255 “(5) A school in which the qualifying patient is enrolled, if the school has a policy
256 in place for allowing the administration of medication at school; provided, that the medical
257 cannabis shall be in non-smokable form.”.

258 (4) Subsection (c) is amended by striking the phrase “medical marijuana in” and
259 inserting the phrase “medical cannabis in” in its place.

260 (5) Subsection (d) is amended as follows:

261 (A) Paragraph (1) is amended by striking the phrase “of medical marijuana”
262 and inserting the phrase “of medical cannabis” in its place.

263 (B) Paragraph (2) is amended by striking the phrase “of medical marijuana”
264 and inserting the phrase “of medical cannabis” in its place.

265 (6) Subsection (e) is amended by striking the phrase “of medical marijuana” and
266 inserting the phrase “of medical cannabis” in its place.

267 (7) Subsection (f) is amended by striking the phrase “dispensary, cultivation center,
268 or testing laboratory” and inserting the phrase “cultivation center, manufacturer, dispensary, or
269 testing laboratory” in its place.

270 (8) Subsection (g) is amended to read as follows:

271 “(g) A qualified patient, caregiver, or an employee of a cultivation center, manufacturer,
272 dispensary, or testing laboratory who is stopped by the police upon reasonable suspicion or
273 probable cause that the stopped individual is in possession of cannabis may not be further detained
274 or arrested on this basis alone if the police determine that the individual is in compliance with this
275 act and the rules issued pursuant to section 14.”.

276 (d) Section 5 (D.C. Official Code § 7-1671.04) is amended to read as follows:

277 “Sec. 5. Recommending authorized practitioner; protections.

278 “(a) A qualifying patient may receive a recommendation from an authorized practitioner
279 to use medical cannabis for a qualifying medical or dental condition or a qualifying medical or
280 dental treatment.

281 “(b) An authorized practitioner may recommend the use of medical cannabis to a qualifying
282 patient, on a form provided by ABRA, if the authorized practitioner makes the recommendation
283 based on an assessment of the qualifying patient’s current medical or dental condition.

284 “(c) Except as provided in section 8, an authorized practitioner shall not be subject to any
285 penalty, including arrest, prosecution, or disciplinary proceeding, or denial of any right or
286 privilege, for advising a qualifying patient about the use of medical cannabis or recommending the
287 use of medical cannabis to a qualifying patient pursuant to this act and any rules issued pursuant
288 to section 14.

289 “(d) An authorized practitioner recommending the use of medical cannabis to a qualifying
290 patient shall not have a professional office located at a cultivation center, manufacturer,
291 dispensary, or testing laboratory or receive financial compensation from a cultivation center,
292 manufacturer, dispensary, or testing laboratory, or a director, officer, member, incorporator, agent,
293 or employee of a cultivation center, manufacturer, dispensary, or testing laboratory.”.

(e) Section 6 (D.C. Official Code § 7-1671.05) is amended to read as follows:

“Sec. 6. Medical cannabis program.

“(a) There is established a medical cannabis program, which shall regulate the cultivation, manufacture, distribution, dispensing, purchase, delivery, sale, possession, administration, and testing of medical cannabis and the manufacture, distribution, purchase, sale, possession, and use of paraphernalia.

“(b) The Program shall:

“(1) Require the registration with ABRA of all:

“(A) Qualifying patients, except qualifying patients enrolled in another jurisdiction's medical cannabis program pursuant to section 3(c)(2), and the caregivers of qualifying patients;

“(B) Non-resident cardholders; and

“(C) Cultivation centers, manufacturers, dispensaries, and testing laboratories, including all directors, officers, members, incorporators, agents, and employees of those facilities;

“(2) Create a self-certification form that may be used by qualifying patients ages 21 and older;

“(3) Issue nontransferable registration identification cards to persons and entities registered pursuant to paragraph (1) of this subsection:

“(A) That, with respect to registration identification cards issued to persons and entities registered pursuant to paragraph (1)(A) and (C) of this subsection, expire every 2 years:

316 “(B) Which may be presented to and used by law enforcement to confirm
317 whether a person or entity is authorized to cultivate, manufacture, distribute, dispense, deliver,
318 sell, possess, test, or administer medical cannabis, or manufacture, possess, purchase, sell,
319 distribute, or use paraphernalia;

320 “(4) Require all cultivation centers, manufacturers, dispensaries, and testing
321 laboratories to:

322 “(A) Maintain true, complete, and real-time electronic records of the
323 following:

324 “(i) The name, address, home telephone number, and date of birth
325 of each employee;

326 “(ii) Each transaction conducted by the facility, including:

327 “(I) The quantity of medical cannabis tested, processed,
328 distributed, or dispensed;

329 “(II) The consideration given for the medical cannabis, if
330 any; and

331 “(III) The recipient of the medical cannabis;

332 “(iii) The quantity of medical cannabis or medical cannabis products
333 at the cultivation center, manufacturer, dispensary, or testing laboratory;

334 “(iv) The disposal method used for any medical cannabis that was
335 cultivated, processed, or acquired but did not meet the requirements for sale established by the
336 ABC Board through rulemaking pursuant to section 14 or that was not sold for any reason,
337 including evidence of the disposal of the medical cannabis; and

338 “(v) Any other information required by ABRA; and

339 “(B) Notify the Chief of the Metropolitan Police Department in writing and
340 immediately of the loss, theft, or destruction of any medical cannabis;

341 “(5) Require all dispensaries to maintain true, complete, and real-time electronic
342 records of the name and address of the qualifying patient or caregiver authorized to obtain for the
343 distribution or dispensing of medical cannabis;

344 “(6) Upon the registration of at least one testing laboratory pursuant to paragraph
345 (1)(C) of this subsection and rules issued by the ABC Board, require that cultivation centers
346 segregate all harvested medical cannabis into batches before manufacturing any medical cannabis
347 products, or packaging raw medical cannabis for sale to a manufacturer or dispensary, and hold
348 the harvested medical cannabis from sale until:

349 “(A) The medical cannabis has been tested by a testing laboratory;

350 “(B) The cultivation center has received the information required pursuant
351 to paragraph (7) of this subsection; and

352 “(C) The cultivation center has determined that the medical cannabis meets
353 the requirements for sale established by the ABC Board through rulemaking;

354 “(7) Require testing laboratories to provide cultivation centers with the following
355 information after testing harvested medical cannabis samples:

356 “(A) The concentration of tetrahydrocannabinol and cannabidiol in the
357 testing material;

358 “(B) Whether the tested material is organic or inorganic;

359 “(C) The presence and concentration of fertilizers or other nutrients;

360 “(D) Whether the medical cannabis samples contain mycotoxin, pesticides,
361 or heavy metals above a threshold determined by the ABC Board through rulemaking; and

362 “(E) Any other information that the ABC Board may require through
363 rulemaking;

364 “(8) Upon registration of at least one testing laboratory pursuant to paragraph (1)(C)
365 of this section and rules issued by the ABC Board, require that manufacturers segregate all
366 processed medical cannabis products into batches, and hold the processed medical cannabis
367 products from sale until:

368 “(A) The medical cannabis products have been tested by a testing
369 laboratory;

370 “(B) The manufacturer has received the information required pursuant to
371 paragraph (9) of this subsection; and

372 “(C) The manufacturer has determined that the medical cannabis products
373 meet the requirements for sale established by the ABC Board through rulemaking;

374 “(9) Require testing laboratories to provide manufacturers with the following
375 information after testing medical cannabis product samples:

376 “(A) The concentration of tetrahydrocannabinol and cannabidiol in the
377 testing material;

378 “(B) Whether the tested material is organic or inorganic;

379 “(C) The presence and concentration of fertilizers or other nutrients;

380 “(D) Whether the medical cannabis product samples contain mycotoxin or
381 residual solvents above a threshold determined by the ABC Board through rulemaking; and

382 “(E) Any other information that the ABC Board may require through
383 rulemaking;

384 “(10) Develop educational materials about:

385 “(A) The potential adverse drug interactions that could occur from using
386 medical cannabis concurrently with other medical treatments;

387 “(B) Harm reduction strategies for qualifying patients who use medical
388 cannabis; and

389 “(C) The importance of informing health care providers and pharmacists of
390 the use of medical cannabis to help avoid adverse drug interactions;

391 “(11) Revoke or suspend the registration of any person or entity if the ABC Board
392 determines that the person or entity has violated a provision of this act or the rules issued pursuant
393 to section 14;

394 “(12) Conduct announced and unannounced inspections of cultivation centers,
395 manufacturers, dispensaries, and testing laboratories;

396 “(13) Establish sliding-scale registration and annual renewal fees for all persons
397 and entities required to register pursuant to this act; provided, that the registration and annual
398 renewal fees for cultivation centers, manufacturers, dispensaries, and testing laboratories and for
399 the directors, officers, members, incorporators, agents, and employees of cultivation centers,
400 manufacturers, dispensaries, and testing laboratories shall be sufficient to offset the cost of
401 administering this act;

402 “(14) Establish a system to provide for the safe and affordable dispensing of
403 medical cannabis to qualifying patients who are unable to afford a sufficient supply of medical
404 cannabis based upon the qualifying patient’s income and existing financial resources that:

405 “(A) Allows qualifying patients to apply to the ABC Board to be eligible to
406 purchase medical cannabis on a sliding scale from dispensaries; and

407 “(B) Requires each dispensary to devote a percentage of its gross revenue,
408 as determined by ABC Board, to providing medical cannabis on the sliding scale to qualifying
409 patients determined eligible pursuant to subparagraph (A) of this paragraph;

410 “(15) Establish standards by which applicants for cultivation center, manufacturer,
411 dispensary, and testing laboratory registration will be evaluated to determine which applicants will
412 be accepted for registration and renewal of registration, which shall include the following factors:

413 “(A) Knowledge of District and federal law relating to cannabis and rules
414 issued pursuant to section 14;

415 “(B) Suitability of the proposed facility;

416 “(C) A proposed staffing plan;

417 “(D) A security plan that has been assessed by the Metropolitan Police
418 Department;

419 “(E) A cultivation plan;

420 “(F) Suitability of any methods and equipment used to process medical
421 cannabis; and

422 “(G) A product safety and labeling plan;

423 “(16)(A) Provide notice through the mail to the Councilmember and all Advisory
424 Neighborhood Commissions in the affected ward at least 30 days prior to approval of a location
425 for a cultivation center, manufacturer, dispensary, or testing laboratory; and

426 “(B) Accord great weight to input provided by the Advisory Neighborhood
427 Commission regarding the proposed location of a cultivation center, manufacturer, dispensary, or
428 testing laboratory when approving or rejecting an application for registration;

429 “(17) Require caregivers and qualifying patients to notify ABRA immediately and
430 in writing of the loss, theft, or destruction of a registration identification card; and

431 “(18) Submit to the Council an annual report that does not disclose any identifying
432 information about qualifying patients, caregivers, or authorized practitioners, but that includes:

433 “(A) The number of qualifying patients participating in the medical
434 cannabis program;

435 “(B) The number of qualifying patients and caregivers registered;

436 “(C) The number of registration identification cards suspended and
437 revoked;

438 “(D) The number of authorized practitioners providing written
439 recommendations for qualifying patients;

440 “(E) The number and location of cultivation centers, manufacturers,
441 dispensaries, and testing laboratories;

442 “(F) The amount of cannabis harvested by cultivation centers;

443 “(G) The dollar amount of medical cannabis or medical cannabis products
444 sold by cultivation centers, manufacturers, and dispensaries; and

445 “(H) The number and types of violations of this act and any applicable rules,
446 as well as the outcomes of any enforcement actions taken against cultivation centers,
447 manufacturers, dispensaries, and testing laboratories.”.

448 (f) Section 7 (D.C. Official Code § 7-1671.06) is amended to read as follows:

449 “Sec. 7. Cultivation centers, manufacturers, and dispensaries.

450 “(a) Notwithstanding any other District law, and in accordance with this act and any rules
451 issued pursuant to section 14, a:

452 “(1) Cultivation center may cultivate and possess medical cannabis for the purpose
453 of distribution to a manufacturer or dispensary, and may manufacture, possess, purchase, and use
454 paraphernalia;

455 “(2) Manufacturer may possess medical cannabis for the purposes of manufacturing
456 medical cannabis products and distribution to a dispensary, and may manufacture, possess,
457 purchase, and use paraphernalia;

458 “(3) Dispensary may possess medical cannabis and medical cannabis products for
459 the purpose of dispensing to a qualifying patient or caregiver, and may manufacture, possess,
460 distribute, purchase, and use paraphernalia;

461 “(4) Testing laboratory may possess medical marijuana for the purpose of testing
462 its contents; and

463 “(5) Qualifying patient, caregiver, or non-resident cardholder may only obtain
464 medical cannabis and paraphernalia from a dispensary.

465 “(b) Each cultivation center, manufacturer, dispensary, and testing laboratory shall be
466 registered with ABRA prior to cultivating, manufacturing, distributing, dispensing, delivering,
467 selling, possessing, or testing medical cannabis, or manufacturing, possessing, purchasing, selling,
468 or distributing paraphernalia.

469 “(c) A cultivation center registered with ABRA as of the effective date of the Medical
470 Cannabis Amendment Act of 2022, as approved by the Committee on the Judiciary and Public
471 Safety on October 21, 2022 (Committee print of Bill 24-113), and engaged in the manufacturing
472 of medical cannabis products shall automatically receive a manufacturers license; provided, that if
473 the cultivation center is sold or transferred to new owners, the manufacturers license shall not
474 transfer to the new owner.

475 “(d) The ABC Board may approve the holder of a cultivation center or manufacturers
476 registration that also owns, or has a valid lease for, real property adjacent to its existing cultivation
477 center or manufacturing facility, to physically expand the registered cultivation center or
478 manufacturing facility into that adjacent real property for the purpose of increasing production of
479 medical cannabis or medical cannabis products.

480 “(e) If ABRA expands the number of available licenses for cultivation centers or
481 dispensaries through rulemaking, ABRA shall also submit an analysis that demonstrates the need
482 for additional licenses due to estimated or actual increased demand exceeding the capacity of
483 existing licensees. The analysis shall clearly articulate the methods and data used to reach a
484 conclusion and any limitations of those methods or data.

485 “(f) An applicant seeking to qualify as a:

486 “(1) Social equity applicant shall submit an affidavit with the application for
487 registration of a cultivation center, manufacturer, dispensary, or testing laboratory attesting to:

488 “(A) The number of owners who are returning citizens, as well as proof of
489 any owners’ arrests, convictions, and incarceration for cannabis-related offenses;

490 “(B) The ownership interests, incomes, and net worth of any owners;

491 “(C) The location of all managerial employees in the principal office;

492 “(D) The residency of owners, employees, and contractors; and

493 “(E) The locations of the assets and the percentages of the assets in each
494 location;

495 “(2) Medical cannabis certified business enterprise shall submit an affidavit with
496 the application for registration of a cultivation center, manufacturer, dispensary, or testing
497 laboratory attesting to:

498 “(A) The number of owners who are economically-disadvantaged
499 individuals or individuals who have been subjected to racial or ethnic prejudice or bias because of
500 their identities as members of a group without regard to their individual qualities;

501 “(B) The ownership interests, incomes, and net worth of any owners;

502 “(C) The location of all managerial employees in the principal office;

503 “(D) The residency of owners, employees, and contractors; and

504 “(E) The locations of the assets and the percentages of the assets in each
505 location.

506 “(g) At least 50% of all:

507 “(1) Manufacturers licenses shall be set aside for social equity applicants and
508 medical cannabis certified business enterprises; and

509 “(2) New cultivation center and dispensary licenses issued after the applicability
510 date of the Medical Cannabis Amendment Act of 2022, as approved by the Committee on the
511 Judiciary and Public Safety on October 21, 2022 (Committee print of Bill 24-113), shall be set
512 aside for returning citizens and medical cannabis certified business enterprises.

513 “(h) Any applications for the registration of a cultivation center, manufacturer, dispensary,
514 or testing laboratory submitted by applicants for registrations that are not subject to the set aside
515 requirements in subsection (g) of this section shall be awarded points as follows:

516 “(1) A social equity applicant shall be awarded preference points equal to 50 points
517 or 20% of the available points, whichever is more; and

518 “(2) A medical cannabis certified business enterprise shall be awarded preference
519 points equal to 50 points or 20% of the available points, whichever is more.

520 “(i)(1) Straw ownership for the purposes of meeting the ownership requirements of social
521 equity applicants and medical cannabis certified business enterprises is prohibited for District
522 residents and out-of-state residents.

523 “(2) A person who is found to have willfully asserted straw ownership shall have
524 the person’s registration revoked and be subject to a civil penalty of not more than \$15,000.

525 “(j) The ABC Board shall waive 75% of any nonrefundable license application fees,
526 nonrefundable fees associated with receiving a license to operate, and surety bonds or other
527 financial requirements, for social equity applicants and medical cannabis certified business
528 enterprises.

529 “(k)(1) Cultivation center, manufacturer, dispensary, and testing laboratory registrations
530 shall be paid annually by credit card or cashier’s check, money order, or certified check made
531 payable to the D.C. Treasurer. The fee for the first year shall be paid at the time of the application,
532 and the renewal fee shall be paid on or before the anniversary date of issuance of the registration.
533 All payments are due at the time the applications are filed and are non-refundable.

534 “(2) The ABC Board shall, by rules issued pursuant to section 14, establish or
535 modify the initial application and renewal fees for cultivation center, manufacturer, dispensary,
536 and testing laboratory registrations.

537 “(3) A cultivation center, manufacturer, dispensary, or testing laboratory
538 registration shall be valid for 3 years unless:

539 “(A) Suspended or revoked; or

540 “(B) The registration takes effect on a date in between the dates established
541 by the ABC Board for the regular registration period of each registration, in which case the
542 registration shall be valid only until the end of the registration period.

“ (4) The ABC Board may impose a late fee upon an applicant for a cultivation center, manufacturer, dispensary, or testing laboratory that fails to timely renew their registration, in the amount of \$50 for each business day after the due date of payment. The total amount of the late fee to be paid shall not exceed the annual cost of the registration. The ABC Board may suspend a previously approved registration until the renewal fee is paid. A cultivation center, manufacturer, dispensary, or testing laboratory that has not timely renewed its registration shall not be permitted to operate with an expired registration.

“ (5) The ABC Board may suspend a registration where the payment was made by the applicant with a check returned unpaid, invalid credit card, or any other form of payment that is denied by an intermediary institution. The applicant, in addition to any late fees imposed by the ABC Board pursuant to paragraph (4) of this subsection, shall also be charged a \$100 returned check/denied payment fee.

“ (l) A dispensary may not dispense more than 2 ounces of medical cannabis in a 30-day period to a qualifying patient, either directly or through the qualifying patient's caregiver; provided, that the Mayor, through rulemaking, may increase the quantity of medical cannabis that may be dispensed to up to 4 ounces.

“ (m) No medical cannabis or paraphernalia at a cultivation center, manufacturer, dispensary, or testing laboratory shall be visible from any public or other property.

“ (n) A cultivation center, manufacturer, dispensary, or testing laboratory shall not locate within any residential district or within 300 feet of a preschool, primary or secondary school, or recreation center.

“ (o) A cultivation center or manufacturer shall not be located within a Retail Priority Area, as designated pursuant to section 4 of the Retail Incentive Act of 2004, effective September 8,

2004 (D.C. Law 15-185; D.C. Official Code § 2-1217.73), and as approved by the Council pursuant to the Great Streets Neighborhood Retail Priority Areas Approval Resolution of 2007, effective July 10, 2007 (Res. 17-257; 54 DCR 7194).

“(p) A cultivation center, manufacturer, dispensary, or testing laboratory may be permitted to change ownership or controlling interest upon approval from the ABC Board.

“(q) Each cultivation center, manufacturer, dispensary, and testing laboratory shall:

“(1) Be either a for-profit or nonprofit corporation incorporated within the District;

“(2) Implement a security plan to prevent the theft or diversion of medical cannabis, including maintaining all medical cannabis in a secure, locked room that is accessible only by authorized persons; and

“(3) Ensure that all its employees receive training on compliance with District law, medical cannabis use, security, and theft prevention.

“(r) Each dispensary shall regularly distribute to all qualifying patients and caregivers the educational materials developed as part of the Program.

“(s)(1) Except with respect to evaluating the applications of social equity applicants and returning citizens, the ABC Board shall not:

“(A) Inquire into or consider:

“(i) A director, officer, member, incorporator, agent, or employee’s criminal conviction until after the applicant is found by ABRA to be otherwise qualified;

“(ii) A criminal conviction that has been sealed, expunged, vacated, or pardoned, including a criminal conviction that has been set aside pursuant to the Youth Rehabilitation Amendment Act of 1985, effective December 7, 1985 (D.C. Law 6-69; D.C. Official Code § 24-901 *et seq.*);

589 “(iii) A juvenile adjudication; or

590 “(iv) Non-conviction information, including information related to

591 a deferred sentencing agreement, participation in a diversion program, or an arrest that did not

592 result in a criminal conviction; or

593 “(B) Consider a criminal conviction of an offense of a director, officer,

594 member, incorporator, agent, or employee of a cultivation center, manufacturer, dispensary, or

595 testing laboratory that is not directly related to the position of employment sought or to the specific

596 business for which the license or registration is sought.

597 “(2) Pursuant to paragraph (1)(B) of this subsection, ABRA shall determine

598 whether a criminal conviction of an offense of a director, officer, member, incorporator, agent, or

599 employee of a cultivation center, manufacturer, dispensary, or testing laboratory is directly related

600 to the position of employment sought or to the specific business for which the license or

601 registration is sought, by considering the following factors:

602 “(A) Whether the elements of the offense are directly related, by clear and

603 convincing evidence, to the license or registration sought or the specific duties and responsibilities

604 of employment;

605 “(B) Any evidence produced by the director, officer, member, incorporator,

606 agent, or employee concerning their rehabilitation and fitness, including:

607 “(i) Evidence as to whether the director, officer, member,

608 incorporator, agent, or employee has recidivated;

609 “(ii) Evidence demonstrating compliance with any terms and

610 conditions of probation, supervised release, or parole;

611 “(iii) The length of time that has elapsed since the offense was
612 committed;

613 “(iv) The age at which the offense was committed;

614 “(v) Any circumstances related to the offense, including mitigating
615 circumstances;

616 “(vi) Evidence of work history, particularly any training or work
617 experience related to the license or registration sought or the specific duties and responsibilities of
618 employment; and

619 “(vii) Letters of reference; and

620 “(C) The District’s interest in promoting opportunities for business
621 ownership and employment for returning citizens and individuals with criminal records.

622 “(3) Before acting on a determination made pursuant to paragraph (2) of this
623 subsection, the ABC Board shall notify the director, officer, member, incorporator, agent, or
624 employee, in writing, with the following information:

625 “(A) The criminal conviction that forms the basis for the action, and the
626 ABC Board’s reasoning for determining the offense is directly related to the license or registration
627 sought or the specific duties and responsibilities of employment;

628 “(B) A copy of any criminal history records on which the ABC Board relies;

629 “(C) A statement that the director, officer, member, incorporator, agent, or
630 employee may provide evidence of inaccuracies within the criminal history records;

631 “(D) A description of additional information that the director, officer,
632 member, incorporator, agent, or employee may provide to demonstrate their rehabilitation and
633 fitness; and

634 “(E) Information about any applicable hearing procedures.

635 “(4)(A) After receiving notice pursuant to paragraph (3) of this subsection, the
636 director, officer, member, incorporator, agent, or employee shall have 45 business days to respond.

637 “(B) The ABC Board shall have 45 business days after the response is
638 received to issue its final decision.

639 “(t) A person found to have violated any provision in this act shall not be a director, officer,
640 member, incorporator, agent, or employee of a cultivation center, manufacturer, dispensary, or
641 testing laboratory, and the registration identification card of the person shall be immediately
642 revoked and the registration of the cultivation center, manufacturer, dispensary, or testing
643 laboratory shall be suspended until the person is no longer a director, officer, member,
644 incorporator, agent, or employee of the cultivation center, manufacturer, dispensary, or testing
645 laboratory.”.

646 (g) New sections 7a, 7b, 7c, 7d, and 7e are added to read as follows:

647 “Sec. 7a. Transitional licenses.

648 “(a)(1) No later than 30 days after the effective date of the Medical Cannabis Amendment
649 Act of 2022, as approved by the Committee on the Judiciary and Public Safety on October 21,
650 2022 (Committee print of Bill 24-113), ABRA shall make transitional license applications
651 available for unregistered establishments.

652 “(2) To qualify for a transitional license, an unregistered establishment shall
653 demonstrate to the satisfaction of ABRA that the unregistered establishment:

654 “(A) Is not located:

655 “(i) Within a residential district;

656 “(ii) Within 300 feet of a preschool, primary or secondary school, or
657 recreation center; or

658 “(iii) Within 400 feet of an existing dispensary;

659 “(B) Has a valid, active business license issued on or before April 5, 2022;

660 “(C) Has a valid certificate of occupancy issued on or before April 5, 2022;

661 “(D) Has been in operation since April 5, 2022, at the latest; and

662 “(E) Has one or more owners who are District residents and who
663 individually or collectively own at least 60% of the unregistered establishment.

664 “(3) An unregistered establishment may not relocate prior to applying for a
665 transitional license for purposes of applying for a transitional license.

666 “(4) Straw ownership for purposes of meeting the ownership requirement in
667 paragraph (2)(E) of this subsection is prohibited. A person who is found to have willfully asserted
668 straw ownership shall have the person’s registration revoked and be subject to a civil penalty of
669 not more than \$15,000.

670 “(b) ABRA shall accept transitional license applications for 60 days after the date on which
671 it made applications available pursuant to subsection (a) of this section.

672 “(c) Transitional licenses shall be valid for up to 180 days; provided, that ABRA may
673 extend the validity of a transitional license for up to an additional 90 days if a transitional licensee
674 demonstrates that it has made a good faith effort at implementing the transitional license
675 compliance plan it submitted pursuant to section 7b but needs additional time to complete the
676 transitional license compliance plan.

677 “Sec. 7b. Transitional license compliance plans and permanent licenses.

678 “(a) On the date that ABRA makes transitional license applications available pursuant to
679 section 7a, it shall also publish requirements for transitional license compliance plans to be
680 submitted by transitional licensees.

681 “(b) Within 60 days after receiving a transitional license, a transitional licensee shall submit
682 a transitional license compliance plan to ABRA that demonstrates the steps the transitional licensee
683 will take during the license term to bring the transitional licensee and its operations into
684 compliance with any additional requirements of this act and applicable regulations.

685 “(c) ABRA shall hold no fewer than 3 technical assistance workshops for transitional
686 licensees within the first 30 days after issuing transitional licenses.

687 “(d)(1) Within 30 days after receiving a transitional license compliance plan from a
688 transitional licensee, ABRA shall notify the transitional licensee if the plan is approved, requires
689 minimal revision, or is denied.

690 “(2) If a transitional license compliance plan requires minimal revision, ABRA
691 shall note the specific elements of the plan that are deficient.

692 “(3) If a transitional license compliance plan is denied, ABRA shall notify the
693 transitional licensee that the transitional licensee must close within 90 days after receipt of the
694 denial or be subject to penalties pursuant to D.C. Official Code § 47-2844(a-2)(1B).

695 “(e)(1) After a transitional license compliance plan is approved by ABRA, a transitional
696 licensee shall submit monthly compliance progress updates that demonstrate implementation of
697 the transitional license compliance plan until all requirements of the transitional license
698 compliance plan are met.

699 “(2) Once ABRA certifies that a transitional license compliance plan has been
700 implemented, ABRA shall issue a dispensary license, contingent upon the transitional licensee
701 paying the applicable license fee.

702 “(f)(1) A transitional licensee’s failure to make a good faith effort to implement its
703 transitional license compliance plan shall result in the revocation of its transitional license.

704 “(2) When a transitional license is revoked, ABRA shall notify the transitional
705 licensee that it must close within 90 days after receipt of the denial or be subject to penalties
706 pursuant to D.C. Official Code § 47-2844(a-2)(1B).

707 “Sec. 7c. Safe use treatment facility endorsement.

708 “(a) The holder of a dispensary registration shall be eligible to apply to the ABC Board for
709 a safe use treatment facility endorsement. The holder of a safe use treatment facility endorsement
710 shall be permitted to:

711 “(1) Sell medical cannabis and paraphernalia at the dispensary to qualifying patients
712 and caregivers to be administered on the premises by or to the qualifying patient at the time of
713 purchase within designated consumption areas that are separated from the remainder of the
714 premises by a secure door and have a separate ventilation system;

715 “(2) Allow a qualifying patient or the qualifying patient’s caregiver to remove from
716 the premises unused medical cannabis or paraphernalia that has been purchased from the
717 dispensary in accordance with the requirements and limits set forth in this act; provided, that it is
718 packaged in a sealed, secure, and labeled container;

719 “(3) Offer or sell food that does not contain cannabis in the safe use treatment
720 facility; and

721 “(4) Offer recorded or background music in the safe use treatment facility.

722 “(b) A dispensary with a safe use treatment facility endorsement shall:

723 “(1) Install security cameras that are operable and able to record for a minimum of

724 30 days;

725 “(2) Display conspicuous warning labels that are visible to the qualifying patient

726 and the qualifying patient’s caregiver concerning administering medical cannabis and medical

727 cannabis products;

728 “(3) Destroy all unadministered medical cannabis left abandoned or unclaimed in

729 the safe use treatment facility area; and

730 “(4) Package and label all medical cannabis or medical cannabis products

731 purchased to be administered on the premises of the safe use treatment facility in accordance with

732 regulations issued pursuant to section 14.

733 “(c) A dispensary’s safe use treatment facility area shall have the following characteristics:

734 “(1) The area where medical cannabis is to be administered on-site by qualifying

735 patients shall be isolated from the other areas of the dispensary, separated by walls and a secure

736 door, and shall have access only from the dispensary;

737 “(2) A smoke-free area for employees to monitor the safe use treatment facility

738 area; and

739 “(3) A ventilation system that directs air from the safe use treatment facility area to

740 the outside of the building through a pollution control unit or odor control unit that, at a minimum,

741 eliminates all detectable odor, smoke and by-products of combustion so as to prevent any and all

742 public nuisances.

743 “(d) A dispensary with a safe use treatment facility endorsement shall not:

744 “(1) Allow a person to consume alcohol, tobacco, or tobacco products in the safe
745 use treatment facility;

746 “(2) Allow any member of the public other than a qualifying patient or the
747 qualifying patient’s caregiver to enter the safe use treatment facility;

748 “(3) Allow a person to bring into or administer in the safe use treatment facility any
749 medical cannabis or medical cannabis products that were not purchased at the dispensary, unless
750 otherwise permitted by the ABC Board by rulemaking;

751 “(4) Sell, offer to sell, or provide medical cannabis or paraphernalia in excess of
752 the quantity limits set forth in this act or regulations issued pursuant to section 14;

753 “(5) Encourage or permit an organized game or contest on the premises that
754 involves consuming cannabis or cannabis products or the awarding of cannabis or cannabis
755 products; or

756 “(6) Advertise or promote, in any way, either on or off the premises, a practice
757 prohibited under this section.

758 “(e) An applicant for a safe use treatment facility endorsement shall:

759 “(1) Complete an application on a form the ABC Board prescribes by regulations
760 issued pursuant to section 14;

761 “(2) Include with the application a ventilation proposal, which shall include
762 information to address the following:

763 “(A) Air change for the designated consumption space;

764 “(B) Air change for common areas inside the dispensary;

765 “(C) Filter type and odor control measures for the designated consumption
766 space;

767 “(D) Location of air intakes and exhaust outlets;

768 “(E) Whether the designated consumption space area shares space with

769 employee work areas; and

770 “(F) Any other information deemed necessary through rulemaking.

771 “(f) The initial application fee for the safe use treatment facility endorsement shall be

772 \$1,000. The endorsement shall be valid for 3 years, with an annual registration fee of \$2,000.

773 “Sec. 7d. Education tasting endorsement.

774 “(a) The holder of a dispensary registration shall be eligible to apply to the ABC Board for

775 an education tasting endorsement. The holder of an education tasting endorsement shall be

776 permitted to offer cooking and how-to classes and demonstrations and tastings for educational

777 purposes to qualifying patients and caregivers on-site. Activities offered by a dispensary under an

778 education tasting endorsement shall be permitted to occur on the premises of the dispensary; except

779 that educational activities that include the smoking of medical cannabis by qualifying patients shall

780 only occur in an ABC Board-approved safe use treatment facility.

781 “(b) A dispensary with an education tasting endorsement shall:

782 “(1) Display in the registered area conspicuous warning labels that are visible to the

783 qualifying patient and the qualifying patient's caregiver concerning the consumption of medical

784 cannabis and medical cannabis products;

785 “(2) Destroy all unconsumed medical cannabis remaining from the educational

786 activity; and

787 “(3) Ensure that containers of medical cannabis to be used for educational activities

788 are labeled as such and may not be sold.

789 “(c) A dispensary with an education tasting endorsement shall not:

790 “(1) Allow a person to consume alcohol, tobacco, or tobacco products on the
791 premises;

792 “(2) Allow a qualifying patient or caregiver to leave the premises with medical
793 cannabis that was made available or offered as part of the educational activity;

794 “(3) Advertise or promote, in any way, either on or off the premises, a practice
795 prohibited under this section; or

796 “(4) Make unsubstantiated medical claims about cannabis or cannabis products.

797 “(d) The holder of an education tasting endorsement may offer educational activities on the
798 registered premises between the hours of 7:00 a.m. and 9:00 p.m., 7 days per week; provided, that
799 the ABC Board may alter these hours through rulemaking.

800 “(e) The ABC Board shall establish, by regulation, permitted medical cannabis tasting or
801 consumption limits for educational activities.

802 “(f) An applicant for an education tasting endorsement shall complete an application on a
803 form the ABC Board prescribes by regulations issued pursuant to section 14.

804 “(g) The initial application fee for an education tasting endorsement shall be \$500. The
805 endorsement shall be valid for 3 years, with an annual registration fee of \$1,000.

806 “Sec. 7e. Dispensary delivery endorsement.

807 “(a) The holder of a dispensary registration shall be eligible to apply to the ABC Board for
808 a delivery endorsement. The holder of a delivery endorsement shall be permitted to offer curbside
809 pickup and deliver medical cannabis directly to a qualifying patient or the qualifying patient's
810 caregiver at residential and commercial building addresses located in the District that are not on
811 District government or Federal property or public or private school grounds. For purposes of this

812 section, a public or private park shall not be considered to be either a residential or commercial
813 building address.

814 “(b) A dispensary with a dispensary delivery endorsement shall:

815 “(1) Only receive and accept an order by electronic or other means from a
816 qualifying patient or the qualifying patient’s caregiver;

817 “(2) Only deliver to the qualifying patient or the qualifying patient’s caregiver at
818 the District address provided on the order and not “drop off” the product without verifying the
819 identity of the recipient;

820 “(3) Only travel through the District and not any surrounding jurisdictions to make
821 deliveries;

822 “(4) Abide by rules and standards as may established by the ABC Board pursuant
823 to section 14 concerning:

824 “(A) The frequency of deliveries to a single qualifying patient or caregiver
825 in a day, week, or month;

826 “(B) Overnight storage of any medical cannabis or medical cannabis
827 products; and

828 “(C) The operation and number of delivery vehicles allowed;

829 “(5) Abide by the rules posted by any landlord or property owner with respect to
830 prohibitions on cannabis deliveries on its property;

831 “(6) Use its employees to deliver medical cannabis or medical cannabis products;

832 “(7) At the time of an order, require the qualifying patient or the qualifying patient's
833 caregiver to provide information necessary to verify that the qualifying patient or the qualifying

patient's caregiver is qualified to purchase and receive a delivery of medical cannabis or medical cannabis products in accordance with this act and regulations issued pursuant to section 14;

“(8)(A) Prior to transferring possession of the order to a qualifying patient aged 21 and older, inspect the qualifying patient’s government-issued identification card and valid self-certification form to verify that the information provided at the time the order was placed matches information listed on the government-issued identification form;

“(B) Prior to transferring possession of the order to a qualifying patient under age 21 or to a qualifying patient’s caregiver, the dispensary shall inspect the person’s government-issued identification card and registration identification card issued pursuant to this act to verify the possession of a valid registration identification card and that the information provided at the time the order was placed matches the information listed on the government-issued identification card;

“(C) The dispensary’s failure to check the required information in subparagraphs (A) and (B) of this paragraph may result in the ABC Board issuing a fine against the dispensary or suspending or revoking its registration in accordance with this act or regulations issued pursuant to section 14;

“(9) Maintain, in each vehicle used for deliveries of medical cannabis or medical cannabis products, a secure, locked storage compartment for purposes of transporting and securing cash used as payment and the medical cannabis or medical cannabis products. The dispensary shall not store cash and medical cannabis or medical cannabis products in the same storage compartments;

“(10) Only use delivery vehicles that:

856 “(A) Contain a Global Positioning System (GPS) device for identifying the
857 geographic location of the delivery vehicle, which shall be either permanently or temporarily
858 affixed to the delivery vehicle while the delivery vehicle is in operation and remain active and in
859 the possession of the delivery employee at all times during the delivery; and

860 “(B) Do not bear any markings, images, words, or phrases that would
861 indicate the delivery vehicle is used to deliver medical cannabis, including the name of the
862 dispensary or cannabis-related related images; and

863 “(11) Be permitted to dispense medical cannabis or medical cannabis products
864 through curbside pickup or at-the-door pickup to a qualifying patient or caregiver if the dispensary:

865 “(A) Dispenses medical cannabis to a qualifying patient with a valid self-
866 certification form, a qualifying patient who is a minor or a qualifying patient’s caregiver registered
867 in the Program, or a qualifying patient enrolled in another jurisdiction’s medical cannabis program;

868 “(B) Implements a process for a qualifying patient to submit a valid copy of
869 the qualifying patient’s self-certification form, or for caregivers and qualifying patients who are
870 minors, a valid registration identification card, and a government-issued identification card to the
871 dispensary for verification prior to dispensing;

872 “(C) Ensures that the exchange of medical cannabis or medical cannabis
873 products to the qualifying patient or caregiver is clearly captured on the dispensary’s video
874 surveillance system;

875 “(D) Only provides curbside pickup at curbside directly in front of the
876 dispensary and in view of the dispensary’s video surveillance cameras. If the dispensary’s location
877 or video surveillance system is not equipped to meet this requirement, the dispensary shall not
878 provide curbside pickup or at-the-door pickup;

879 “(E) Implements procedures to ensure that curbside pickup or at-the-door
880 pickup is completed quickly and efficiently; and

881 “(F) Implements a mechanism or recordkeeping process for qualifying
882 patients or caregivers to document receipt of curbside pickup or at-the door pickup.

883 “(c) The holder of the dispensary delivery endorsement may offer curbside pickup or
884 deliver medical cannabis during the hours of 9:00 a.m. to 9:00 p.m., 7 days per week; provided,
885 that the ABC Board may alter these hours through rulemaking.

886 “(d) Applicants for the dispensary delivery endorsement shall complete an application
887 prescribed by the Board by regulations issued pursuant to section 14.

888 “(e) The initial application fee for the endorsement shall be \$500. The endorsement shall
889 be valid for 3 years with an annual registration fee of \$1,000.”.

890 (h) Section 8 (D.C. Official Code § 7-1671.07) is amended as follows:

891 (1) The section heading is amended by striking the phrase “of medical marijuana”
892 and inserting the phrase “of medical cannabis” in its place.

893 (2) Subsection (b) is repealed.

894 (i) Section 9 (D.C. Official Code § 7-1671.08) is amended as follows:

895 (1) Subsection (a) is amended by striking the phrase “uses marijuana” and inserting
896 the phrase “uses cannabis” in its place.

897 (2) Subsection (b) is amended to read as follows:

898 “(b) Any person who makes a fraudulent representation to a law enforcement official of
899 any fact or circumstance relating to the person’s manufacture, cultivation, possession,
900 administration, dispensing, distribution, or use of medical cannabis, or manufacture, possession,
901 distribution, or use of paraphernalia, to avoid arrest or prosecution shall be subject to a criminal

fine not to exceed \$1,000. The imposition of the fine shall be in addition to any other penalties that may otherwise apply for the making of a false statement or for the manufacture, cultivation, possession, administration, dispensing, distribution, or use of cannabis, or the manufacture, possession, distribution, or use of paraphernalia.”.

(3) Subsection (c) is amended as follows:

(A) The lead-in language is amended by striking the word “marijuana” both times it appears and inserting the word “cannabis” in its place.

(B) Paragraph (1) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(C) Paragraph (2) is amended by striking the phrase “the medical marijuana” and inserting the phrase “the medical cannabis” in its place.

(4) Subsection (d) is amended by striking the phrase “Civil fines, penalties, and fees may be imposed as sanctions” and inserting the phrase “The ABC Board may impose civil fines, penalties, and fees” in its place.

(5) A new subsection (e) is added to read as follows:

“(e) Within 180 days after the applicability date of the Medical Cannabis Amendment Act of 2022, as approved by the Committee on the Judiciary and Public Safety on October 21, 2022 (Committee print of Bill 24-113), the ABC Board shall submit proposed regulations to the Council, setting forth a schedule of civil penalties, fines, and fees for violations of this act, for a 90-day period of review, including Saturdays, Sundays, holidays, and periods of Council recess. If the Council does not approve, in whole or in part, the proposed regulations within the 90-day review period, the regulations shall be deemed approved. The schedule shall replace all civil penalties, except as expressly provided in this act.”.

(j) Section 9a(c) (D.C. Official Code § 7-1671.08a(c)) is amended to read as follows:

“(c) Money deposited into the Fund shall be used by ABRA for the purpose of:

“(1) Administering the Program;

“(2) Providing equity, grants, and loans, as outlined in section 9c; and

“(3) Assisting with job training and technical assistance for social equity applicants and medical cannabis certified business enterprises.”.

(k) A new section 9c is added to read as follows:

“Sec. 9c. Equity, grants, and loans to social equity applicants and medical cannabis certified business enterprises.

“(a) ABRA shall establish equity, grant, and loan programs for the purposes of providing financial assistance, equity, grants, loans, and technical assistance to social equity applicants and medical cannabis certified business enterprises.

“(b) ABRA shall have the authority to:

“(1) Provide equity, grants, and loans from monies in the Medical Cannabis Administration Fund established in section 9a and the Medical Cannabis Social Equity Fund established in section 9b to assist social equity applicants and medical cannabis certified business enterprises in gaining entry to, and successfully operating in, the Program;

“(2) Enter into agreements that set forth terms and conditions of the financial assistance, accept funds or grants, and engage in cooperation with private entities to carry out the purposes of this section;

“(3) Fix, determine, charge, and collect any premiums, fees, charges, costs, and expenses, including application fees, commitment fees, program fees, financing charges, or publication fees in connection with its activities under this section;

948 “(4) Provide staff, administration, and related support required to administer this
949 section;

950 “(5) Establish application, notification, contract, and other forms, procedures, or
951 rules; and

952 “(6) Utilize vendors or contractors to carry out the purposes of this section.

953 “(c) Grants made pursuant to this section shall be awarded competitively.

954 “(d) Loans made pursuant to this section shall be in such principal amount and form and
955 contain such terms and provisions with respect to security, insurance, reporting, delinquency,
956 charges, default remedies, and other matters ABRA shall determine appropriate to protect the
957 public interest.

958 “(e) No later than one year after establishing any equity, grant, or loan program pursuant
959 to this section, and annually thereafter, ABRA shall submit a report to the Mayor and Council on
960 the outcomes of the program. The report shall include the following information:

961 “(1) The number of persons or businesses receiving financial assistance under this
962 section;

963 “(2) The amount of financial assistance awarded in the aggregate, in addition to the
964 number and amount of loans made that are outstanding and the number and amount of grants
965 awarded;

966 “(3) The location of the project engaged in by the person or business; and

967 “(4) If applicable, the economic benefits created due to this financial assistance,
968 such as jobs created.”.

969 (1) Section 10 (D.C. Official Code § 7-1671.09) is amended as follows:

(1) The section heading is amended by striking the phrase “Medical Marijuana Advisory” and inserting the phrase “Medical Cannabis Advisory” in its place.

(2) Subsection (a) is amended as follows:

(A) The lead-in language is amended by striking the phrase “Medical Marijuana Advisory” and inserting the phrase “Medical Cannabis Advisory” in its place.

(B) Paragraph (1) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(C) Paragraph (2) is amended by striking the phrase “of marijuana” and inserting the phrase “of cannabis” in its place.

(D) Paragraph (3) is amended to read as follows:

“(3) The Program’s effectiveness.”.

(3) Subsection (b) is repealed.

(m) Section 11(a) (D.C. Official Code § 7-1671.10(a)) is amended to read as follows:

“(a) ABRA is authorized to establish, by rulemaking, fees for the registration of cultivation centers, manufacturers, dispensaries, and testing laboratories, and for the inspection and audit of cultivation centers, manufacturers, dispensaries, and testing laboratories.”.

(n) Section 12(b) (D.C. Official Code § 7-1671.11(b)) is amended by striking the phrase “medical marijuana” both times it appears and inserting the phrase “medical cannabis” in its place.

(o) Section 13 (D.C. Official Code § 7-1671.12) is amended by striking the phrase “of medical marijuana” and inserting the phrase “of medical cannabis” in its place.

(p) Section 14 (D.C. Official Code § 7-1671.13) is amended as follows:

(1) Subsection (a) is amended as follows:

(A) Paragraph (1) is amended to read as follows:

993 “(1) Adopt manufacturing practices with which cultivation centers, manufacturers,
994 and dispensaries shall be required to comply to ensure that medical cannabis sold by cultivation
995 centers, manufacturers, and dispensaries is of pharmaceutical grade;”.

996 (B) Paragraph (2) is amended by striking the phrase “medical marijuana
997 sold by cultivation centers and dispensaries” and inserting the phrase “medical cannabis sold by
998 cultivation centers, manufacturers, and dispensaries” in its place.

999 (C) Paragraph (3) is amended by striking the phrase “cultivation center,
1000 dispensary, and testing laboratory” and inserting the phrase “cultivation center, manufacturer,
1001 dispensary, and testing laboratory” in its place.

1002 (D) Paragraph (4) is amended by striking the phrase “dispensaries,
1003 cultivation enters, and testing laboratories” and inserting “cultivation centers, manufacturers,
1004 dispensaries, and testing laboratories” in its place.

1005 (E) Paragraph (5) is amended to read as follows:

1006 “(5) Determine, for the purpose of ensuring that qualifying patients have adequate
1007 access to medical cannabis, the number of cultivation centers, dispensaries, manufacturers, and
1008 testing laboratories that may operate in the District;”.

1009 (F) Paragraph (6) is amended to read as follows:

1010 “(6) Determine the amount of any registration fee for any cultivation center,
1011 manufacturer, dispensary, or testing laboratory;”.

1012 (G) Paragraph (7) is amended to read as follows:

1013 “(7) Determine the forms of medical cannabis that cultivation centers,
1014 manufacturers, and dispensaries shall be permitted to dispense or distribute; and”.

1015 (H) Paragraph (8) is amended to read as follows:

1016 “(8) Determine the process for permitting a cultivation center, manufacturer,
1017 dispensary, or testing laboratory to change ownership or controlling interest pursuant to section
1018 7(p).”.

1019 (2) Subsection (a-1) is amended by striking the phrase “medical marijuana” and
1020 inserting the phrase “medical cannabis” in its place.

1021 Sec. 3. Section 47-2844(a-2) of the District of Columbia Official Code is amended by
1022 adding a new paragraph (1B) to read as follows:

1023 “(1B) No earlier than 180 days after the applicability date of the Medical Cannabis
1024 Amendment Act of 2022, as approved by the Committee on the Judiciary and Public Safety on
1025 October 21, 2022 (Committee print of Bill 24-113), in addition to the provisions of subsection (a-
1026 1) of this section and paragraph (1) of this subsection, the Mayor, notwithstanding § 2-
1027 1801.04(a)(1), may take the following actions against, or impose the following requirements upon,
1028 any licensee, or agent of a licensee, that knowingly engages or attempts to engage in the purchase,
1029 sale, exchange, or any other form of commercial transaction involving cannabis that is not
1030 purchased, sold, or exchanged in accordance with Chapter 16B of Title 7 or § 48-904.01:

1031 “(A) For the first violation of this paragraph, the Mayor:

1032 “(i) May issue a:

1033 “(I) Fine in the amount of up to \$10,000; and

1034 “(II) Notice to revoke all licenses issued to the licensee
1035 pursuant to this chapter, with notices issued pursuant to this sub-subparagraph provided to the
1036 Alcoholic Beverage Regulation Administration; and

1037 “(ii)(I) After a determination made in accordance with § 2-
1038 1801.06(a), shall seal the licensee’s premises, or a portion of the premises, for up to 96 hours

without a prior hearing, with notice of the sealing given to the Alcoholic Beverage Regulation Administration, the Director of the Department of Licensing and Consumer Protection, and the Office of Attorney General.

“(II) Within 14 days after a licensee’s premises is sealed pursuant to sub-sub-subparagraph (I) of this sub-subparagraph, the Mayor shall require the licensee to submit a remediation plan to the Director of the Department of Licensing and Consumer Affairs that contains the licensee’s plan to prevent any future recurrence of purchasing, selling, exchanging, or otherwise transacting any cannabis that is not purchased, sold, or exchanged in accordance with Chapter 16B of Title 7 or § 48-904.01, and acknowledgement that a subsequent occurrence of engaging in prohibited activities may result in the revocation of all licenses issued to the licensee pursuant to this chapter.

“(III) If the licensee fails to submit a remediation plan in accordance with this sub-subparagraph, or if the Mayor, in consultation with the Director of the Department of Licensing and Consumer Protection, rejects the licensee’s remediation plan, the Mayor shall notify the licensee of the defects in any rejected remediation plan and the Mayor’s intent to revoke all licenses issued to the licensee pursuant to this chapter.

“(IV) If the licensee cures the defects in a rejected remediation plan, the Mayor may suspend any action to revoke the license of the licensee issued pursuant to this chapter.

“(B) For any subsequent violation of this paragraph, the Mayor:

“(i) May issue a fine in the amount of up to \$20,000; and

1060 “(ii) After a determination made in accordance with § 2-1801.06(a),
1061 shall seal the licensee's premises, or a portion of the premises, for up to 30 days without a prior
1062 hearing.

1063 “(C) At the time of the sealing of the premises, or a portion of the premises,
1064 pursuant to subparagraph (A)(ii)(I) or (B)(ii) of this paragraph, the Director of the Department of
1065 Licensing and Consumer Protection shall post at the premises and serve on the licensee a written
1066 notice and order stating:

1067 “(i) The specific action or actions being taken;

1068 “(ii) The factual and legal bases for the action or actions;

1069 “(iii) The right, within 3 business days after service of notice of the
1070 sealing of the premises, to request a hearing with the Office of Administrative Hearings;

1071 “(iv) The right to a hearing before an administrative law judge,
1072 within 3 business days after a timely request being received by the Office of Administrative
1073 Hearings; and

1074 “(v) That it shall be unlawful for any person, with the exception of
1075 emergency services personnel, to enter the sealed premises for any purpose without written
1076 permission by the Director of the Department of Licensing and Consumer Protection.

1077 “(D)(i) If a licensee’s premises, or a portion of the premises, is sealed
1078 pursuant to subparagraph (A)(ii)(I) or (B)(ii) of this paragraph, a licensee shall have the right to
1079 request a hearing with the Office of Administrative Hearings within 3 business days of service of
1080 notice of the sealing of the premises under subparagraph (C) of this paragraph. If a licensee timely
1081 requests a hearing, the Office of Administrative Hearings shall hold a hearing before an
1082 administrative law judge within 3 business days after receiving the request.

1083 “(ii) The administrative law judge shall issue an opinion no later
1084 than 30 calendar days after the hearing.

1085 “(E) A licensee shall pay a fine issued pursuant to subparagraph (A)(i)(I) or
1086 (B)(i) of this paragraph within 20 calendar days after an opinion is issued by an administrative law
1087 judge with the Office of Administrative Hearings. If the licensee fails to pay the fine within the
1088 specified time period, the Mayor may seal the premises until the fine is paid.

1089 “(F) For purposes of this paragraph, the term:

1090 “(i) “Business days” means days in which the Office of
1091 Administrative Hearings is open for business.

1092 “(ii) “Cannabis” shall have the same meaning as provided in § 48-
1093 901.02(3).”.

1094 Sec. 4. Penalties for commercial property owners of illegal cannabis businesses.

1095 (a)(1) For the first violation of D.C. Official Code § 47-2844(a-2)(1B), the Mayor shall
1096 send a notice to the commercial property owner where the illegal activity occurred stating:

1097 (A) The nature of illegal activity documented on the premises;

1098 (B) The specific action or actions being taken against the licensee operating
1099 on the premises; and

1100 (C) The commercial property owner may be subject to civil penalties for
1101 any subsequent illegal activity under D.C. Official Code § 47-2844(a-2)(1B) pursuant to
1102 subsection (c) of this section.

1103 (2) Notices issued pursuant to this subsection shall be provided to the Alcoholic
1104 Beverage Regulation Administration, the Director of the Department of Licensing and Consumer
1105 Protection, and the Office of Attorney General.

1106 (b) For any subsequent violation of D.C. Official Code § 47-2844(a-2)(1B):

1107 (1) The Mayor shall issue a fine in the amount of up to \$10,000 to the commercial
1108 property owner; and

1109 (2)(A) The Mayor shall require the commercial property owner to submit a
1110 remediation plan within 14 days after the notice of a fine under paragraph (1) of this subsection to
1111 the Director of the Department of Licensing and Consumer Protection that contains the commercial
1112 property owner's plan to prevent any future violations of D.C. Official Code § 47-2844(a-2)(1B).

1113 (B) If the commercial property owner fails to submit a remediation plan in
1114 accordance with subparagraph (A) of this paragraph, or if the Mayor, in consultation with the
1115 Director of the Department of Licensing and Consumer Protection, rejects the commercial property
1116 owner's remediation plan, the Mayor may issue additional fines or revoke the commercial property
1117 owners' licenses.

1118 (c)(1) A commercial property owner has the right to request a hearing with the Office of
1119 Administrative Hearings within 3 business days after service of notice of any actions taken under
1120 subsection (b) of this section.

1121 (2) If a commercial property owner timely requests a hearing pursuant to this
1122 subsection, the Office of Administrative Hearings shall hold a hearing before an administrative
1123 law judge within 3 business days after receiving the request.

1124 (3) The administrative law judge shall issue an opinion no later than 30 calendar
1125 days after the hearing.

1126 (d) For purposes of this paragraph, the term:

1127 (1) "Business days" means days in which the Office of Administrative Hearings is
1128 open for business.

1129 (2) “Cannabis” shall have the same meaning as provided in D.C. Official Code §
1130 48-901.02(3).

1131 Sec. 5. Section 501.2(b) of Title 22-C of the District of Columbia Municipal Regulations
1132 (22-C DCMR § 501.2(b)), is amended as follows:

1133 (a) The lead-in language is amended by striking the phrase “two (2)” and inserting the
1134 phrase “one (1)” in its place.

1135 (b) Subparagraph (9) is amended to read as follows:

1136 “(9) Utility bills from a period within the two (2) months immediately preceding
1137 the application date in the name of the applicant on a District of Columbia residential address;”.

1138 (c) Subparagraph (10) is redesignated as subparagraph (11).

1139 (d) A new subparagraph (10) is added to read as follows:

1140 “(10) A bank statement addressed to the applicant from a period within the two (2)
1141 months immediately preceding the application date in the name of the applicant on a District of
1142 Columbia residential address; or”.

1143 Sec. 6. Applicability.

1144 (a) This act shall apply upon the date of inclusion of its fiscal effect in an approved budget
1145 and financial plan.

1146 (b) The Chief Financial Officer shall certify the date of the inclusion of the fiscal effect in
1147 an approved budget and financial plan, and provide notice to the Budget Director of the Council
1148 of the certification.

1149 (c)(1) The Budget Director shall cause the notice of the certification to be published in the
1150 District of Columbia Register.

1151 (2) The date of publication of the notice of the certification shall not affect the
1152 applicability of this act.

1153 Sec. 7. Fiscal impact statement.

1154 The Council adopts the fiscal impact statement in the committee report as the fiscal impact
1155 statement required by section 4a of the General Legislative Procedures Act of 1975, approved
1156 October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

1157 Sec. 8. Effective date.

1158 This act shall take effect following approval by the Mayor (or in the event of veto by the
1159 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
1160 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24,
1161 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
1162 Columbia Register.